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MOMENTOUS ISSUES

...petition in Business, ...table Price Level, ...sperity and Republic.	versus	Trusts. Falling Price Level, Depression, Empire, Militarism AND Concentration of Wealth.

THE EVIDENCE CLASSIFIED AND PRINCIPLES POINTED OUT

BY

GEORGE H. SHIBLEY

OF THE BUREAU OF ECONOMIC RESEARCH, N. Y. CITY, COUNSELLOR AT LAW, SUPERVISING EDITOR OF "THE LIBRARY OF SOCIAL EVOLUTION,"

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Stable Price Level,
Prosperity and Republic.

versus

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INTRODUCTORY.

In this campaign the citizens of the United States are to decide whether the existing policies of the national government are to be continued or whether they are to be changed. *To do this intelligently, they must first know the exact claims of the Administration and of the opposing parties, and then examine the evidence.*

To assist my fellow-citizens in this most important duty is the purpose of the following pages. The issues are the greatest that the ballots of men have ever decided, and therefore every one should try and acquaint himself with the vital facts. Prosperity has been disappearing for six months and a growing depression is again upon us (see pages 13 to 18). The cause is the falling price level (page 7) and the monopolization of nearly all the great lines of industry (pages 93, 69). If the existing order of things is continued, the outlook is simply horrible. The depression must grow rapidly worse and exceed in degree anything that the world has ever experienced, because of this new factor in depression—the present monopolization of nearly all the great industries and the rapid fostering of trusts in the remaining fields (pages 13, 95, 102).

In the domain of Government the conditions are equally alarming. The great private interests have the Federal Government in their control, and legislate for themselves and against a restoration of competition in business (pages 61, 67, 71, 83, 88, 102), and have become so arrogant that they have reached out and secured more subjects—today they are holding the people of Porto Rico and the Philippines as subjects, shooting all who stand in their way, while at home they employ government by injunction, blacklisting, military law, threats of panic, and demand a further increase in the standing army (pages 102-108).

If the voters—the sovereign power—continue the Administration, they ratify all the causes which produce these evil conditions, in the vain notion that they are continuing a prosperity that has flown (see pages 13 to 18). The importance, then, of bringing before our fellow-citizens the evidence in the case cannot be over-estimated The Civil War, grave as were its issues, pales into insignificance beside the momentous issues of this campaign. Had the South succeeded there would still have been two Republics, but if the policy of the Administration be ratified, the holding of subjects in Porto Rico and the Philippines will continue, thereby overthrowing our Republic, establishing an Empire, and abrogating the Monroe doctrine. This will open up the Republics of America to conquest by the Empire of the United States and the Old World Empires, and cause our country to become an armed camp, the same as is now the case in Europe, only worse, for militarism will have grown; while the continuation of the trusts will hold us all as subjects of the most conscienceless Ruler the world has yet produced, and one that must steadily

grow in power until refuge is found in a Military Despot, or Equal Rights is restored in the Governing Power. The course of events is rapid in this highly developed stage of industry and concentrated wealth, and, therefore, if the tide of oncoming depression be not stopped, the climax is almost certain to arrive ere another four years roll round.

GEORGE H. SHIBLEY.

September 25th, 1900.

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GENERAL SUMMARY.

1. Prosperity was world-wide during the past three years (p. 3), therefore it was not caused by the Administration (p. 4).

2. The tide turned toward depression more than six months ago and business is becoming more and more stagnant (pp. 13-18).

3. If the present tendency is continued the times will be much worse than we have ever experienced, for we shall have monopolization of industry in addition to the falling price level.

4. But if the party in power in the federal government is changed, *there will be a reversal of these causes of depression.* Next March the laws will be so altered as to—

(a) Prevent discriminations in freight rates (p. 73). This will restore competition in nearly all lines of production and trade (p. 67). During 1897 the Supreme Court took from the Commission its power to prevent discriminations (p. 61), and then commenced the dreadful spread of discriminations (p. 93). The result has been so tremendous a fostering of trusts that nearly all the principal lines of industry are monopolized (p. 93). For three years the Administration has refused to stop the discriminations in freight rates (pp. 61-67).

Such private monopolies as may remain will also have the "props" knocked from under them (pp. 71-92), thus restoring competitive prices. If any private monopolies should remain, the prices they charge will be regulated by the Interstate Commerce Commission, just as railway rates will be regulated (p. 88).

(b) The falling price level will be stopped by taking the control of the volume of paper currency from the private corporations, known as national banks, and placing it in a Commission or Bureau in the Treasury Department, *with the command that the price level be measured daily or weekly, and the volume of currency so controlled as to maintain a stable interest rate on money.* This will maintain a stable price level year after year (p. 20).

The Senate will be against a free silver law for two years at least, and, therefore, free silver is not an issue in this election (p. 20).

5. The prevention of further depression and the restoration of prosperity on a higher plane than we have ever experienced, *will be accompanied by a change of policy as to—*

(a) The people of Porto Rico, the Philippines and Cuba; that is, a change from the holding of subjects (a policy of empire) to Independence for the people of the Philippines and Cuba, and Citizenship for the people of Porto Rico. This will preserve our Republic and prevent the establishment of Empire (p. 108).

(b) It will maintain the Monroe Doctrine—will keep the Old World Empires from extending their sway on this hemisphere. This will not only protect our

sister republics, but will help to prevent the spread of Militarism in this country (p. 108).

Final Summary.

EVERY PRIVATE MONOPOLY WILL BE ABOLISHED IN LESS THAN THREE MONTHS (pp. 87-92). Thus will the people rescue themselves from the trusts. In so doing they will correct the evils which have been caused by the trusts and other private monopolies, namely, all the above mentioned evils.

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Trusts, Empire, and Growing Depression.

One and one-half years ago the leading commercial daily in New York City, the *Journal of Commerce*, published its Year Book, and in an editorial set forth the figures as to the Trust Development, and said:

"THIS MEANS THAT THE TOTAL CAPITALIZATION OF THESE COMBINATIONS IS EQUAL TO ABOUT 90 PER CENT OF THE ENTIRE MANUFACTURING INVESTMENTS OF 1890. About the only important branch of industry that has escaped the trust invasion is that of textiles; *and if we eliminate that department from the total for* 1890, THE PRESENT CAPITALIZATION OF THE MONOPOLISTIC INDUSTRIES WILL BE FOUND TO ABOUT EQUAL THE VALUATION OF THE LAST CENSUS. THESE FACTS WILL INDICATE WITH APPROXIMATE CLEARNESS *HOW CLOSELY OUR INDUSTRIAL SYSTEM HAS APPROACHED A COMPLETE ABSORPTION UNDER MONOPOLISTIC CONTROL.* * * * THE CHANGE IS AT BEST A STUPENDOUS EXPERIMENT. * * * IT PLACES NEARLY OUR ENTIRE INDUSTRIAL SYSTEM UPON THE MONOPOLISTIC BASIS. THAT IS A VENTURE UNPARALLELED IN THE HISTORY OF MATERIAL CIVILIZATION; *and not merely the manufacturing interest, but the still vaster interests thereon dependent,* CAN BUT AWAIT THE OUTCOME WITH AN EXPECTANCY THAT MUST GROW MORE INTENSE AS THE TRIAL PROGRESSES."

ONE AND A HALF YEARS LATER.

Prices in the principal industries being no longer fixed by competition (the law of supply and demand), but fixed by private monopolies, *their selling prices are too high and their buying prices too low.* THE RESULT IS THAT THE AMERICAN PEOPLE HAVE NOT BEEN ABLE TO BUY ALL THEY HAVE PRODUCED. WHAT THEY CAN NOT BUY IS TERMED BY THE MONOPOLISTS, SURPLUS, *AND AN ENDEAVOR HAS BEEN MADE TO FORCE A MARKET FOR IT IN FOREIGN LANDS.* To quote the words of Senator Chauncey M. Depew in a speech at the Republican National Convention last June:

"What is the tendency of the future? Why this war in South Africa? Why this hammering at the gates of Pekin? Why this marching of troops from Asia to Africa? Why these parades of people from *other empires* and other lands? *IT IS BECAUSE THE SURPLUS PRODUCTIONS OF CIVILIZED COUNTRIES OF MODERN TIMES ARE GREATER THAN CIVILIZATION CAN CONSUME.* It is because this over-production goes back to stagnation and to poverty.

"*THE AMERICAN PEOPLE PRODUCE* $2,000,000,000 *WORTH MORE THAN WE CAN CONSUME, and we have met the emergency,* and by the providence of God, by the statesmanship of William McKinley and by the valor of Roosevelt and his associates (applause) we have our market in Cuba, *we have our market in Porto Rico, we have our market in Hawaii, and we have our market in the Philippines, and we stand in the presence of* 800,000,000 *people* [Chinese and other orientals], *with the Pacific as an American lake.*"

THE PRICES WHICH FOREIGNERS PAY ARE MUCH LOWER THAN ARE CHARGED WITHIN THE UNITED STATES (page 72). In other words, *the "surplus" is dumped on the foreign markets at whatever price it will fetch.* DURING THE LAST THREE YEARS THE EXCESS OF EXPORTS OVER IMPORTS WAS MORE THAN FOR "THE WHOLE PERIOD OF 107 YEARS FROM 1790 TO 1897." —(Republican Platform.)

BUT IT HAS NOT BEEN SUFFICIENT TO KEEP OUR PEOPLE EMPLOYED; the iron and steel mills have an "over-production," the wages of iron-workers have been cut 25 per cent in many instances, and hosts of men are thrown out of employment. This reduces their ability to purchase, and more hands must be discharged.

This principle permeates all lines of production and trade (pages 14-17), being greatest in the comforts of life and least in the barest necessities.

And an additional cause of "over-production" and hard times is the falling price level (page 7).

THE RESULT IS A GROWING INDUSTRIAL DEPRESSION WHICH WILL INCREASE IN PROPORTION TO (1) *THE LENGTH OF TIME THAT THE LAW OF SUPPLY AND DEMAND AS THE REGULATOR OF PRICES IS SUSPENDED, AND* (2) *THE LENGTH OF TIME THAT THE PRICE LEVEL CONTINUES TO FALL.*

MOMENTOUS ISSUES.

DIVISION I.

STATEMENT OF THE CASE.

PART I. The Administration's Statement of the Case.

The Republican campaign text-book has been completed and is before the public. Its reasons why the existing Federal Government—the Administration—should be continued in power are thus epitomized:

Four great facts seem to justify the Republican party in asking the voters of the United States to continue it in control of the affairs of the government:

1. The *promptness* with which it has fulfilled the pledges of its platform upon which it successfully appealed to the people in 1896;

2. The *prosperity* which has come to all classes of our citizens with, and as a result of, the fulfillment of those pledges;

3. The evidence which that prosperity *furnishes of the fallacy in the principles offered by the opposing parties in* 1896 *and still supported by them; and*

4. The *advantages to our country, our commerce and our people* in the extension of area, commerce and international influence [the policy of conquest] which have unexpectedly come as an incident of the fulfillment of one of the important pledges of the platform of 1896, *and with it the opportunity for benefiting the people of the territory affected.*"

PART II.

Denial of the Administration's Claims and Statement of Counter Claims, by

A, The Democratic, People's and Silver Republican Parties.

In the campaign four years ago the parties opposed to Mr. McKinley were the Democratic, People's and Silver Republican, and today these reform parties deny the foregoing assertions and claim:

1. That the administration did *not* promptly fulfill the pledges of its platform—*the hard times continued for nearly a year after the election of 1896.*

2. That the prosperity which has been present for the past three years is *not* the result of the action of the Administration, *as prosperity has existed throughout the gold standard world.*

3. That the events of the past three years have *not* demonstrated a fallacy in the principles championed by the free silver parties, *but events have proved that these principles do exist.*

4. That the foreign policy of the Administration is *not* beneficial to this country, nor to the people of the territory affected, but *if adopted at the polls it will overthrow the Republic and establish an Empire, inaugurate an era*

of foreign conquest with an increase of militarism and a greater and greater loss of self-government at home; it will also overthrow the Monroe Doctrine, and establish a foreign alliance.

5. That a continuance of the existing federal government *will continue the existence of the trusts.*

6. And with the continuance of the trusts and the Administration's foreign policy above outlined, there will be a *"hell upon earth" for nearly all the people who are not trust magnates.*

B. The Anti-Imperialist Republicans and Gold Democrats.

The Republicans who are opposed to the overthrow of the Republic and the establishment of an Empire make the following reply to the claims of the Administration, and in this they are joined by nearly all of the Gold Democrats:

Even if the first three claims of the Administration are true, yet *its policy of foreign conquest is so great an evil that every possible effort should be made to defeat it.*

They furthermore claim that if Mr. Bryan is elected the Senate will for two years, at least, be so constituted that a free silver law by the United States alone at 16 to 1 *cannot be enacted.* And many are claiming that if the lower house of Congress is carried by the Democrats, Populists and Silver Republicans, there will be so many *Gold Democrats* among them that a *free silver act cannot pass the House.*

C. The Prohibitionists.

The Prohibition party replies to the claims of the Administration *by pointing to the latter's record on the Liquor Question and is doing its utmost to defeat the Administration.*

D. The Socialist Party.

The Socialist Party disagrees with the claims of the bimetallists as to the relation between money and prices and prosperity, but agrees with them in denouncing the foreign policies of the Administration. As to the trusts, it claims that as they are now run they are a serious evil. The remedy advocated by the Socialists is the *immediate* public ownership of all the means of production and distribution. This advocacy of *so tremendous an immediate change* marks the difference between the Socialist Party and the Socialists *who are not within the party because of their belief that progress is to come step by step instead of by the revolutionary change advocated by the Socialist Party.*

Such, in brief, are the broad claims and denials of the several parties.

The following pages are devoted to the evidence. Every intelligent citizen is asking for it. He wants to know the truth. He does not care to read mere claims and abuse; he demands proof. To meet this want, the following pages have been carefully prepared. The writer was a member of the Republican party up to 1896, and knows the desire of his fellow-men for facts, not fancies. In selecting the evidence he has been guided by his experience as a lawyer, as a student of economics and political science and as editor of legal and other works.

DIVISION II.

THE EVIDENCE.

PART I.

Hard Times till Autumn of 1897.

The reports of Bradstreet and of Dun show that during the month following the election of 1896 there were worse bankruptcies in the United States than for the preceding November; for December the same condition prevailed; for the three months ending April 1, 1897, the liabilities in business failures exceeded those of the same period for 1895; and for the three months ending July 1, 1897, the liabilities were 8 per cent greater than for 1896, 6 per cent greater than for 1895, and 16 per cent greater than for 1894—a time when the unemployed were so numerous that "Commonweal armies" marched toward the national capital; the great coal strikes and railway strikes were in progress, and commerce was so disorganized that the bank clearings were lower than during 1893—the panic year—by 25 per cent. Yet in 1897 the liabilities in business failures exceeded those of this period by 16 per cent. *And this occurred during the sixth, seventh and eighth months which followed the reaffirmance of the gold standard policy.*

And industrial conditions were equally bad *throughout the entire gold standard world.*

Then came a gradual change for the better, *and this change extended throughout the gold standard world.* It was as follows:

PART II.

Prosperity and Its Causes.

A. PROSPERITY HAS EXTENDED THROUGHOUT THE GOLD STANDARD WORLD.

It is known to everyone that from about July, 1897, till early summer of this year there was in the United States a great stimulation in practically every line of industry. This is so fully admitted that it is unnecessary to present any proof. The bank clearings, however, are set forth in Chart II., on a succeeding page; and they show a steady rise in the volume of business in the United States till about May of this year.

In Europe there has been a similar stimulation of industry. The market report in the New York World, on Jan. 8, 1900, said:

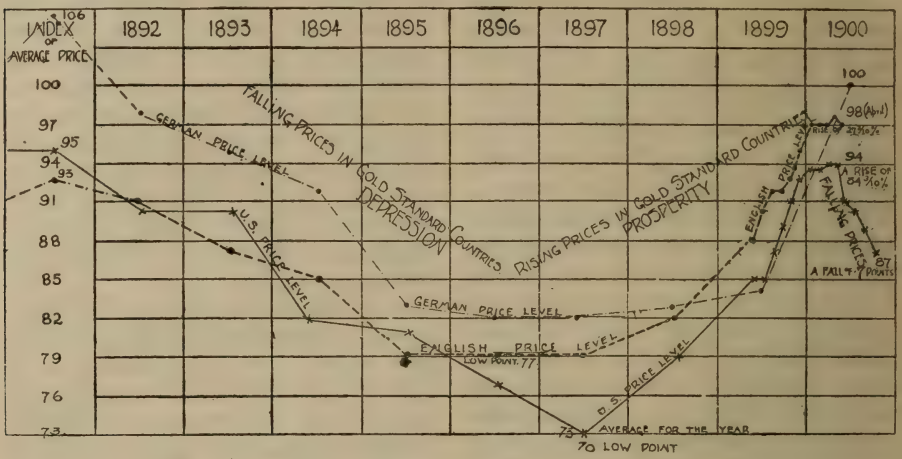
Germany has passed through an era of industrial inflation, such as took place in the United States in the years 1898 and 1899. A craze for speculation seized upon the people of the German Empire about the same time it became epidemic in this country. Public credulity was taken advantage of by the same character of unscrupulous promoters as those who floated the great industrial hoaxes in this country the two years which have just passed.

In England, France, Japan and all other gold standard countries *prices have risen and business has been stimulated.* The extent of the rise in the price level in England, Germany, Japan and the United States is set forth in

the following chart. The rise in prices is practically the same in all these countries, except as monopolies interfere. *In short,* THE RISING PRICES AND PROSPERITY HAVE EXTENDED THROUGHOUT THE GOLD STANDARD WORLD.

CHART I.

The price levels in each of the gold standard countries rise almost simultaneously, and during a fall the same is true. The following are the price levels in several countries. The differences are largely due to differences in the articles included in the average of prices. *Observe that the general rise in prices during the past three years extended to the other gold standard countries.*



B. THEREFORE THE PROSPERITY COULD NOT HAVE BEEN CAUSED BY THE McKINLEY ADMINISTRATION.

1. Statement.

It being a fact beyond dispute that the stimulation of industry known as prosperity has existed throughout the gold standard world, it follows that this prosperity has not been caused by the McKinley Administration unless it can be shown that the said Administration has enacted a law or laws the effect of which has extended throughout these foreign countries. But no such law or laws have been made, as we shall demonstrate; therefore, this widespread prosperity was not caused by the McKinley Administration, but is due to some other cause.

2. Fallacy in the Administration's Argument.

The Administration's claim, as set forth in its platform, is that the cause of the prosperity in the United States is its law increasing the protective duties and its law concerning the gold standard. [Platform quoted in note.*]

*The Republican National Platform of 1900 says: "When the people then assembled at the polls [1896], after a term of Democratic legislation and administration, *business was dead, industry paralyzed* [OWING TO A SHRINKING VOLUME OF MONEY, see page 7, below] and the national credit disastrously impaired. The country's capital was hidden away, and its labor distressed and unemployed. The Democrats had no other plan with which to improve the ruinous conditions which they had themselves produced [not so; it was the Cleveland Democrats who were in office, and they did not support the demands of the Bryan Democrats] *than to coin silver at the ratio of 16 to 1* [*i. e., increase the*

But these laws did not cause the prosperity in Germany, France, England and the other gold standard countries. The Administration's law as to the gold standard simply reaffirmed what already existed (the law itself is quoted on page 21); furthermore, it was not enacted until March 14 *of this year*, and it surely did not cause the prosperity in the preceding years. The protective tariff law was enacted in 1897, and it could not have caused prosperity in the countries *whose goods it shut out.*

3. Effect of an Understanding of the Administration's Bogus Claim.

From the foregoing it is clear that the McKinley Administration did not cause the prosperity. The prosperity has existed throughout the gold standard world. Yet the Administration is asking for re-election on the ground that it caused the prosperity. And this bogus claim is the most effective argument the Administration has. *But when the voters discover the truth, what then?* IT MUST SHAKE THEIR CONFIDENCE AS TO THE FUTURE PROSPERITY OF THE COUNTRY UNDER THE RULE OF THESE DECEIVERS—men who have fostered the giant trusts. An examination of the situation shows these important facts: (1) That there is a growing depression, and by continuing the same men in power—by continuing the same laws and executive policies—the depression will continue to grow worse; (2) and trusts are getting from the government just what they want, and their policies will be continued if the Administration is continued. In short, the Administration is controlled by the trusts. They have secured the enactment of laws which are directly against the welfare of the country, but the people are more or less deceived through the stimulation of industry which has existed during the past three years—existed in spite of the special privileges granted by the Administration. Stated another way, the Administration's policies are against the welfare of the country at large, but owing to the return of prosperity, which it did not cause, it is acting the highwayman by attempting to "hold up" the business men, saying: "We caused the prosperity, and if you reject our policies as to trusts and the government of Porto Rico and the Philippines, you go to perdition." However, when our people see that the stimulation of business was not due to the Administration they will turn it out of power and its rule as a highwayman will cease. The majority against it will be so great that the present leaders will be forced into obscurity, and the Republican party will reorganize on higher ground under the leadership of such Anti-Imperialist Republicans as Tom Reed, ex-President Harrison and Gen. Henderson.

The determination of the voters to retire Mark Hanna and McKinley will be accentuated in proportion as they examine the present growing depression in industry and realize the fact that the only way to stop this evil—one that is sweeping down upon the country—is to place in power a party whose policies will not only check but absolutely

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volume of money]. The Republican party, *denouncing this plan as sure to produce conditions even worse than those from which relief was sought, promised to restore prosperity by means of two legislative measures*—A PROTECTIVE TARIFF AND A LAW MAKING GOLD THE STANDARD OF VALUE. The people, by great majorities, issued to the Republican party a commission to enact these laws. *This commission has been executed, and the Republican promise is redeemed. Prosperity more general and more abundant than we have ever known* HAS FOLLOWED THESE ENACTMENTS." But another portion of this platform of 1900 says: "*The volume of money in circulation* WAS NEVER SO GREAT PER CAPITA AS IT IS TODAY." Here is the cause of the prosperity and the Administration did not cause the increase in the volume of money. This we shall show.

thwart the evil and at once place the country on the road to permanent prosperity—a prosperity that will be equitably shared by all the people and will continue year after year. The policies of the Reform party will do this, and much more. They will save the Republic and prevent the establishment of an Empire. They will also preserve the Monroe Doctrine and thereby all the Republics of America, thus preventing Militarism on this continent, a burden if fastened upon us that would exceed that under which the nations of Europe are now staggering. If our present policies are continued our condition will ultimately be worse than that of Europe, for if the military spirit is to be accentuated and the smaller Republics of the hemisphere acquired by a few great Empires, including our own, there must be a proportionate increase in the burdens of the people.

At this point it may be well to call attention to the fact that before the preceding argument was placed before the reader there was presented the evidence in the case. It is proper to comment upon evidence after presentation and point out the results that are likely to occur if the conditions remain unchanged.

Let us now take up another portion of the case.

C. PROSPERITY CAUSED BY INCREASE IN THE VOLUME OF MONEY.

1. Proof.

During the four years of the especially hard times in the United States, i. e., from 1892 to July, 1896, the volume of money in the United States *decreased 13 per cent per capita, but during the next three years it increased 22 per cent per capita.* That is to say, from July, 1896, to March of this year there was this 22 per cent per capita increase in the volume of money in circulation. This important change is shown to the eye in the accompanying diagram. The Administration is jubilant over the large increase in the volume of money, *but it conceals the fact that up to the campaign of 1896 there was a shrinking volume of money per capita,* thus keeping out of sight *the cause* of the change from contraction, falling prices and hard times, to expansion, rising prices and good times, *and while hiding this fact it proceeds to denounce the parties who in 1896 declared that the volume of money was shrinking and that therefore more money was needed.**

To get the full import of the fallacy the Administration is endeavoring to perpetrate upon the voters, let the reader turn to the chart showing the per capita circulation, place his pencil at the year 1896 and observe that from 1892 there was a shrinking volume of money with the resulting industrial

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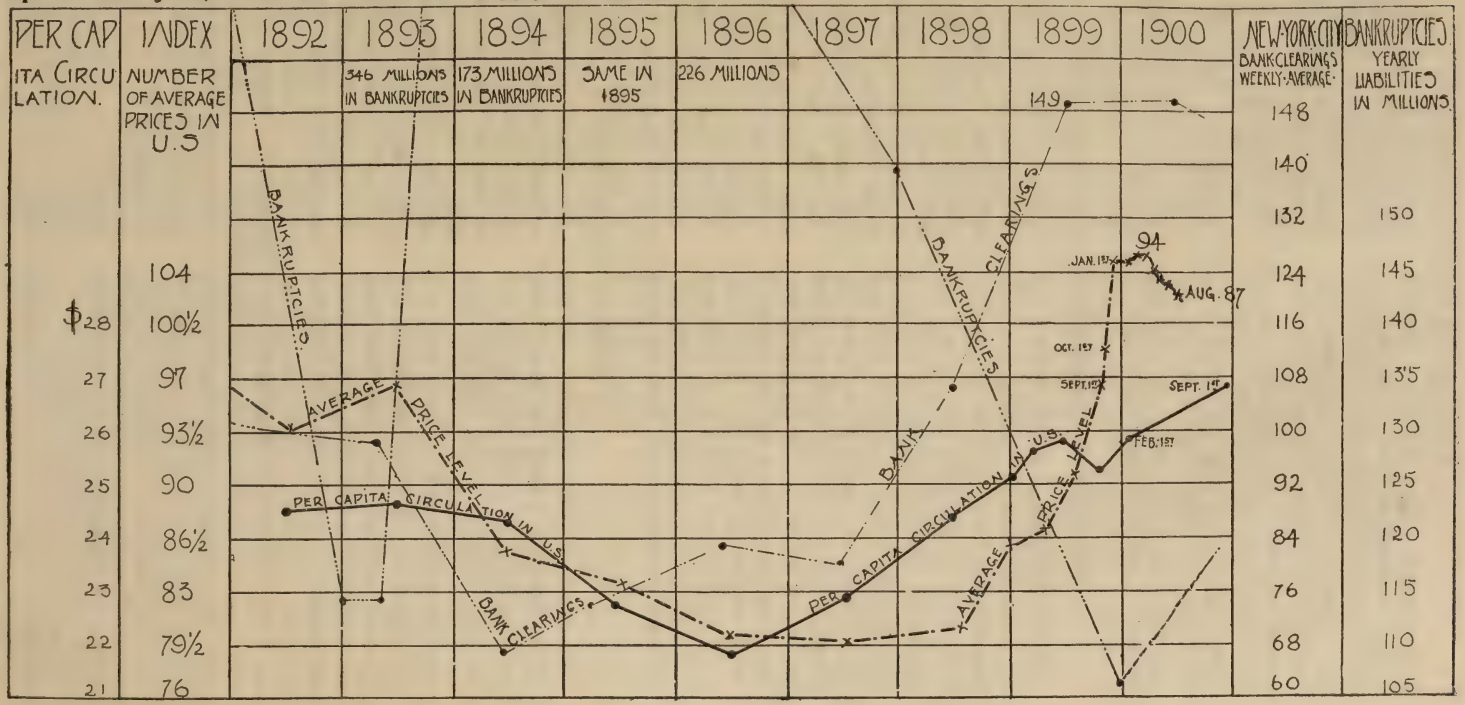
* The Republican platform of this year states that "the volume of money in circulation was never so great per capita as it is today." This is an overstatement of the case, but it shows that the McKinley Administration admits the large increase in the volume of money. Its campaign book says: "The amount (of money) now in circulation is about $2,000,000,000. *In the last four years the money in the hands of the people has increased* $620,000,000, *and the amount is increasing every day.*" But this book fails to state the further fact that for the three years previous to 1896 the volume of money decreased, and President McKinley calls attention to the increase in the volume of money, but fails to note that there had been a decrease up to the time of the campaign of 1896. He says: "*The volume of our currency is greater, per capita, than it has ever been.* It was $21.10 in 1896. It had *increased to* $26.50 *on July* 1, 1900, and $26.85 on September 1, 1900. Our total money on July 1, 1896, was $1,506,434,966; on July 1, 1900, it was $2,062,425,496, and $2,096,683,042 on September 1, 1900. * * * Those things which are produced on the farm and in the workshop, and the labor producing them, *have advanced in value* [price]."

CHART II.

Relation Between Money, Prices, and Prosperity.

Observe that with **a decreasing volume of money THERE IS FALLING PRICES.** This results in a disorganization of production and trade. See the shrinkage in bank clearings and the increase in bankruptcies. But with **an increasing volume of money THERE IS RISING PRICES,** and this stimulates production and trade. The Volume of Money—the cause of "good times" and "hard times" except as monopolies interfere—**is controlled by the voters acting through Congress.** From 1892 to 1897 there was A DECREASING VOLUME OF MONEY AND "HARD TIMES," then from 1897 to 1900, AN INCREASING VOLUME OF MONEY AND "GOOD TIMES," but the Adminstration while heralding the increase in the volume of money **has concealed the decrease prior to 1896; and is also concealing the Falling Price Level since April of this year, due to an insufficient supply of money.**



depression, and then read the demand of the bimetallist for "more money" and the denial of the McKinley party that there was any need for more money. *Then after 1896, when the volume of money is increased by causes over which the Administration has no control,* BEHOLD IT PROUDLY POINTING TO THIS GREAT INCREASE AND THE ENSUING PROSPERITY AS PROOF THAT IN 1896 THE REPUBLICAN PARTY WAS RIGHT AND ITS OPPONENTS WRONG. In other words, the party that was against an increase in the volume of money four years ago, when it was shrinking, now points to the beneficent effect of an expanding volume of money. It also claims that the expansion and consequent prosperity demonstrate that the Republican party was right four years ago and that the bimetallists were wrong! Wonderful logic!

Expansion of Credit Caused by Increasing Volume of Money.

There has been a large increase in the volume of credits. *This has been caused by the increase in the volume of money.* It was this way: After the volume of money had increased to a considerable extent, *and it appeared that there would be a much larger increase,* it caused the farseeing business men to anticipate a rise in prices and they, therefore, began to buy property in expectation of reaping a profit from the expected rise. *And the buying caused prices to rise.* Much of the property purchased was not paid for with cash, *but promises were given to pay cash at a later date;* in other words, there was an increase in the volume of credit. With the expansion of credit, prices continued to rise and the volume of money also continued to increase. These changes in the volume of money and credit are shown to the eye in a diagram on page 7. The main point which it is desired to call to the reader's attention is the fact that *the expansion of credit was preceded by the increase in the volume of money*—it was *caused* by the increase in the volume of money.

The Rises in Price Level.

The average rise of prices in the United States was 34.4 per cent. This high point was reached during April of this year, since which time falling prices have prevailed.*

In England, France, Germany and the other gold standard countries *there was a similar rise in the prices of products, such as wheat, corn, oats, cotton, etc.* These commodities have an international market and the price is practically the same the world over, less the cost of transportation. The average rise of 45 products in England was 27 per cent last April over the low point, July, 1896. In Japan the rise was 34 per cent. In Germany the rise is about the same as in England. These are diagrammed in chart I on page 4.

2. Sources of the Increase in Volume of Money in Gold Standard Countries.

(1) *The unexpected and unlooked for increase in the output of gold.*** This is the most remarkable record that has ever occurred in gold min-

* Index number of Bureau of Economic Research; to same effect is index number by Bradstreet & Co. and published in their weekly paper.

** *World's Production of Gold:*

1881-1885	$ 99,116,000
1886-1890	112,895,000
1891-1895	162,947,000
1896	202,251,600
1897	238,812,000
1898	287,428,600
1899	more than 300,000,000

ing. During the years 1850 to 1860 California and Australia poured their streams of gold into the mints of the world and it sent prices soaring and stimulated business in all directions; *but during the past three years the world's annual production of gold is two and one-half times greater than was the yearly output in the '50s;* but the proportion between the output and the total stock of metal money is about the same. We are experiencing, then, as tremendous a change in the world's output of gold as occurred during the '50s. *It is manifest that the McKinley Administration is not the cause of the enormous increase in the output of gold;* BUT IT IS TAKING TO ITSELF THE CREDIT THAT IS DUE TO THIS OUTPUT; it is endeavoring to appropriate everything in sight, just as the trusts are doing.

(2) During the outpouring of gold from California and Australia in the '50s, France had gold and silver money in circulation, with the mints open to the free coinage of both metals. The result was that as the outpouring of gold increased it flowed into France, and the heaviest silver coins were culled from the circulation, melted *and exported to India,* A SILVER-USING COUNTRY. This raised prices in silver-using India along with the rise of prices in Europe and in the other countries that used gold. The statistics showing all this are not questioned by anyone, for they are set forth by Prof. Laughlin and all writers on money and prices.

But during the present increase in the outpouring of gold, SILVER HAS NOT BEEN DRIVEN ABROAD. The mints of France and the United States are *closed to the free coinage of silver, and therefore the increase in the production of gold affects only the countries using gold*—IT DOES NOT EXTEND OVER THE ENTIRE WORLD AS WAS THE CASE IN THE '50s. This is an important fact—the present rate of production of gold tends to raise prices faster than it would were silver and gold joined together as was the case previous to 1893. In other words, the bimetallic standard existed in the '50s, while now the world is divided into countries having the gold standard and countries having the silver standard, and the increased output of gold *affects only the gold-using countries.*

(3) Another cause of the increase in the volume of money in circulation is thus described by Prof. Commons:

Changes in Currency and Banking Operations in Europe.

"Among the weightiest influences affecting the world's finances during the past decade have been the currency and banking operations of Europe. The effect of these operations can be seen by dividing the period since the year 1887 into three parts: First, the four years ending with 1890; second, the four years following 1890; third, the four years ending 1898.

"1. 1887-1890.—During the four years ending with 1890 the gold product of the world averaged $115,000,000 per year. Of this amount Russia, Austria-Hungary, France and Germany absorbed through home production and net imports $25,000,000 per year, leaving $90,000,000 per year, or $360,000,000 *for four years, for the arts and other countries.*

"2. 1891-1894.—During the four years following 1890 the world's average product of gold had increased to $154,000,000 per year, *but these four countries increased their absorption more than sevenfold,* reaching the average of $180,000,000 per year, *thus taking not only the* ENTIRE *product of the period* BUT $26,000,000 PER YEAR IN ADDITION. This not only left nothing for the arts, which therefore had to draw from the world's stock, BUT ALSO DRAINED $100,000,000 IN FOUR YEARS FROM OTHER COUNTRIES.

Effect in United States.

"This extraordinary absorption of gold by these continental countries *explains the loss of gold by the United States, a*

loss which was offered as an excuse for repealing the Sherman Act, WHICH WAS ADDING TO THE VOLUME OF MONEY, whereas, in the first period, 1887-1890, above mentioned, the United States imported $80,000,000 net and produced $130,000,000, *making a net absorption of* $210,000,000, yet in the period 1891-1894 the United States exported $160,000,000 net and produced $140,000,000, *suffering a net loss of* $20,000,000. The net exports were about equal in amount to the treasury notes issued under the Sherman Act. Had this gold, when it went abroad, gone into circulation, it would have increased the money supply of Europe, and would have kept up gold prices; just as was done by American gold in 1861-65 when driven to Europe by paper money at home. As soon as prices had risen, this would have checked the export of gold from this country. *But, instead, the gold went out of circulation*, BEING ABSORBED BY THE THREE LEADING EUROPEAN POWERS, AND GOLD PRICES FELL 15 TO 23 PER CENT IN SIX YEARS. There was a scarcity of gold, because these four countries took not only the entire gold output, but also a large part of that exported from the United States, and locked it up in war chests and treasuries, or substituted it for paper money. Russia, alone, in ten years ending 1897, took $500,000,000 in gold and destroyed $500,000,000 of her paper money. Austria also displaced paper with gold, and France, Germany and England, in order to protect themselves, increased the gold reserves in their state banks far beyond what had been known before. From December, 1889, to December, 1897, the gold held by the five state banks of the leading countries increased from $830,000,000 to $1,382,000,000, an increase of $550,000,000. At the same time notes and deposits increased from $2,312,300,000 to $2,548,900,000, an increase of only $236,600,000. In other words, while in 1889 the gold reserves of the five state banks amounted to *36 per cent of the notes and deposits*, in 1897 the gold reserves had been increased to *54 per cent of the notes and deposits*. The greater part of these increased gold reserves was, therefore, just so much extracted from commercial use and in effect represented to that amount *a contraction of the world's currency*.

"Beginning in 1897 exactly the opposite movement occurred:

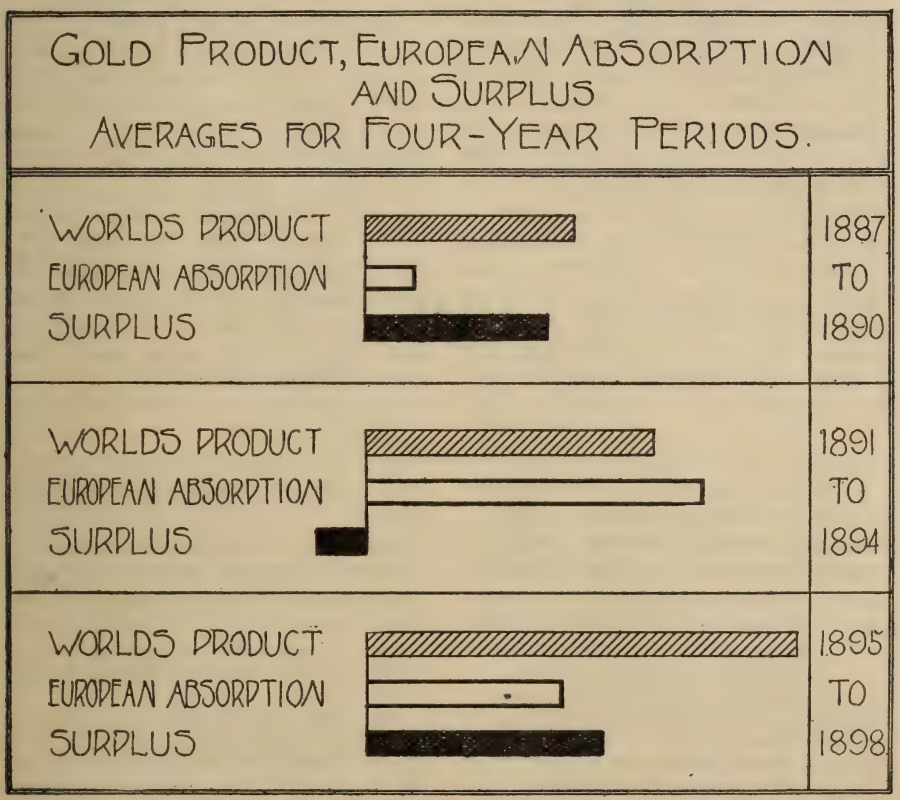
"3. 1897-1900.—In that year Russia finally adopted the gold standard, and began paying out gold for paper. She continued, indeed, her heavy importations into the country, but the gold in her treasury fell off $300,000,000 from December, 1897, to September, 1899. Altogether the gold held by the five principal banks decreased $164,000,000 in the 21 months from December, 1897, to September, 1899. *This is equivalent to an increase in the world's available gold supply of* $95,000,000 *per year*. During this year the notes and deposits remained practically stationary, and the ratio of gold reserves fell from 54 per cent to 44 per cent.

"At the same time a new factor appeared and began to augment still further the gold supply. This was the enormous increase in the world's production of gold. The product of 1897 was double that of 1890; the product of 1898 increased $50,000,000 above that of 1897; and the product of 1899 amounted to about $315,000,000, which was an increase of $200,000,000 per year above the average product of 1897 to 1890. This astonishing production of gold, coupled with lessened absorption by the four continental countries, left a large surplus for other countries. The surplus in 1895 was $125,000,000, whereas there had been an average deficit of $26,000,000 for the four years preceding. The surplus in 1896 was $90,000,000; in 1897, $80,000,000; in 1898, $203,000,000. The average surplus of these four years (1895-1898) was $124,000,000 per year, against an average deficit of $26,000,000 per year for

the preceding four years; see Chart III. This explains the absorption of gold by the United States, which in 1897 was $102,000,000, and in 1898 $169,000,000, against a loss of $26,000,000 in 1896, and a loss of $160,000,000 in the four years from 1891 to 1894."

In the foregoing paragraphs we have traced the sources of the increase in the volume of money and have also noted that in the United States alone the increase has amounted to 22 per cent. Let us now examine the attitude of the two contending parties in 1896.

CHART III.



3. Bimetallists' Demand for More Money in 1896 was the Correct Remedy.

The Chicago platform of 1896 sets forth the demands of the bi-metallists. It declares that *the hard times then existing were caused by the falling price level* AND THAT THE FALLING PRICES WERE DUE TO THE INSUFFICIENT SUPPLY OF MONEY. *Therefore, the remedy demanded was an* IMMEDIATE *increase in the volume of money.* The method proposed for securing this increase was that the mints of the United States be at once reopened to the unrestricted coinage of silver with that of gold, the quantity of silver in each dollar to be the same as that in the

money then in use, viz., 16 times as many grains in each silver dollar as in the gold dollar. The platform further demanded that the mints should be opened without waiting for the aid or consent of any foreign nation.*

4. McKinley Forces Denied That More Money Would Relieve the Depression.

The opposition denied that the hard times were caused by an insufficient volume of money. They claimed that the falling prices were due to improved methods, and they refused to recognize that there was such a thing as an average of prices. They did this in the face of the measurement of the price level by Sauerbeck in England and by a committee of United States Senators, and others. To defeat the bimetallists a denial of these patent facts was necessary. *The McKinley forces had to deny that there was any connection between the volume of money and prices.* They ridiculed the idea that the volume of money had anything to do with prices or with prosperity.

The position of the bimetallists was so thoroughly misrepresented, owing to the $16,000,000 campaign fund of the party of Hanna, that a sufficient number of people were deceived to defeat the ticket which demanded more money. A change of 20,000 votes, however, properly distributed would have elected Mr. Bryan; and it is claimed besides, that many election frauds were perpetrated through the use of money, and it is a fact that many bankers and employers coerced those over whom they exercised power.

Summary.

From the foregoing it is clear that in 1896 the bimetallists were right in claiming that the depression could be ended by an increase in the volume of money. The fallacy in the present claims of the Administration is set forth at pages 4, 6 and preceding paragraph.

Let us next consider the existing industrial conditions in order to ascertain which of the parties should be continued in power.

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* FREE SILVER PLANK OF 1896.

We declare that the Act of 1873 *demonetizing silver* [thereby shutting off an important source of money supply] without the knowledge or approval of the American people *has resulted in the appreciation of gold and a corresponding fall in the prices of commodities produced by the people* [and therefore] a heavy increase in the burden of taxation and of all debts, public and private; the enrichment of the money-lending class at home and abroad; the prostration of industry and impoverishment of the people. * * *

We demand the free and unlimited coinage of both silver and gold at the present legal ratio of 16 to 1, without waiting for the aid or consent of any other nation. We demand that the standard silver dollar shall be a full legal tender equally with gold for all debts, public and private, and we favor such legislation as will prevent in future the demonetization of any kind of legal tender money by private contract.

PART III.

Industrial Conditions: Which Party's Policies are Best For the Country at Large?

A. There is a Growing Industrial Depression produced by two great causes—

1. *Falling Price Level.*
2. *Competitive Prices are Abolished—Monopoly Prices Exist.*

B. The Future.

1. *Future of Monopoly Prices.*
   a. Policy of McKinley's Administration.
   b. Policy of the Reform Party.
2. *Future Course of the Price Level.*
   a. Under McKinley Administration.
   b. Policy of the Reform Parties.
      (1) In General.
      (2) Restoration of Price Level.
      (3) Direct Control of Volume of Paper Currency by Government Officials, Under Definite Rule as to Stability in Price Level
   c. Comparison with European Systems.
   d. Existing System in the United States.
   e. Summary and Comparison with Policy Proposed by the Reform Party.

A. THERE IS A GROWING INDUSTRIAL DEPRESSION PRODUCED BY TWO GREAT CAUSES.

1. Falling Price Level.

The high point in the price level was reached last April. The rise was 34 per cent above the low point in 1897. *But since last April there has been a fall amounting to 7 per cent* (page 7 above), and as a result there is, of course, a growing stagnation in production and trade, as set forth in a succeeding section. The additional cause of the industrial depression is as follows:

2. Competitive Prices Are Abolished—Monopoly Prices Exist.

Monopoly prices in production and trade are also tending to cause depression. The tremendous development of monopoly prices has exerted a widespread evil effect. *The trust magnates have put their selling prices above the competitive level and have kept below the competitive level the prices they pay for raw products and labor.* The result is that the people's income is not sufficient to buy all the things produced, thus leaving a surplus. This surplus is the talk of the day. The trust magnates are frantic in their efforts to secure a foreign market for it. And this is one of the causes of the policy of seeking foreign markets with 13-inch guns.

The tendency of the surplus is to reduce the number of hands employed, and *this further reduces the people's purchasing power, thus tending to cause other hands to be discharged.* This tendency toward a discharge of hands is likely to continue until prices are again fixed by competition or regulated by a Government Commission or the Government owns and operates the plants, thus controlling prices, or a combination of these remedies may be employed. Only these four lines of remedy are open. It is either the restoration of competitive prices, government regulation of prices, government ownership and operation, or a combination of these systems.

Depression Was Foretold.

More than a year ago the writer foretold the industrial depression that must invariably result from the existence of monopoly prices; and he found that

the same ideas prevailed quite generally, but that they were not being expressed publicly. June 16 of last year the following letter was addressed to the leading commercial journal in New York City:

NEW YORK, June 16, 1893.

Editor of the Journal of Commerce and Commercial Bulletin:

The *Journal of Commerce and Commercial Bulletin* has performed a great service in collecting the statistics as to the development of trusts, and it has raised several questions as to what will be the effect of this tremendous change. I wish to raise the further question, *Will it result in an industrial depression and one that will grow in intensity in proportion to the length of time that the particular prices are* THUS FIXED BY BOARDS OF DIRECTORS INSTEAD OF BY THE LAW OF SUPPLY AND DEMAND? I believe that such a depression will ensue, and the reasons for my belief are as follows:

When there was competition among the business firms engaged in buying and selling produce *there were industrial depressions only when the price level fell*, while with a rising price level the reverse occurred; but with the abolition of competition among business firms and the introduction of a system *whereby the prices of products and labor are arbitrarily fixed by boards of directors*, THE RESULT IS A GROWING SURPLUS OF PRODUCTS OWING TO THE FACT THAT THE INCOMES OF THOSE WHO WORK AMOUNT TO A LESS NUMBER OF DOLLARS THAN IS REQUIRED TO PURCHASE THE PRODUCTS OF THEIR LABOR. The consequence is an increase in the number of unemployed, loss of profits on the part of the employers not in the monopolies, and reduction in wages, and with each lessening of the income of the workers there is a reduction in the demand for products, and this calls for a further discharge of hands. The growing industrial depression will increase in proportion to the length of time that the law of supply and demand as the regulator of particular prices is suspended, *or until human laws equitably regulate the prices*—boards of directors of private corporations acting separately and representing the interests of about one per centum of the people can not adjust the prices so as to dispel the depression.

Such are the economic laws as I see them. It is to help get rid of the surplus of products that the demand is made for an opening into new foreign markets. But these markets can not take a tithe of the surplus, and besides the growing surplus from Germany, England and France will meet us and result in a knockdown of prices in foreign trade, with a reaction on the home prices and attempts to force down wages. The way out is to either restore the law of supply and demand as the regulator of particular prices, or to fix the prices by a National Board. If the National Board is used it must represent the whole people and not one per centum of them, and therefore it must be appointed by Congress, and act in conformity to the rules prescribed by Congress. G. H. S.

3. Market Reports Show Growing Depression.

The effects of the falling price level and monopoly prices are reflected in the Market Reports:

The interest rate on call money during the months of July and August *was only one-half as great as during the same months for the preceding year*, namely, 1.46 per cent, as compared with 3.51 per cent.

The falling off in the volume of business in New York is shown in the clearings of the Associated Banks. During July and August of this year their daily clearings averaged but $129,000,000, as against $169,000,000 for the same months of the preceding year. See also Chart II., at page 7.

The following are statements as to the condition of particular industries:

STOCK MARKET.

Neither buying nor selling; *the public keep away from the market*, and consequently the trades have it all to themselves. News, good or bad, is without effect. The declaration of the dividends on Missouri Pacific and Baltimore & Ohio, and better income statements from other railroads, induced some buying of the railroad list at the close of the week.—*Record and Guide*, August 4, 1900.

In Wall Street there are few new developments and *no increase of business to cheer brokers*. We hear exaggerated reports of foreign loans and of the demand for American coal abroad. Seemingly reporters and writers on Wall Street topics will not be content with a natural, though somewhat slow, ad-

vance, either in the way of loaning money or selling commodities abroad, but must treat both subjects sensationally.

The fear of dear money has passed away under *an inability of bankers to employ much of the funds in their hands*, EVEN AT THE LOW RATES NOW PREVAILING.—*Record and Guide*, September 1, 1900.

WOOLEN AND COTTON TRADE.

The history of the past week's operations is very much the same as for the past several weeks, and it appears to be the general opinion that the developments of the next six or seven weeks will not work any great change in the character of the market. There are some agents who profess to see signs of an improving trend. They say that they find the buyer somewhat more reasonable and more liberally inclined than heretofore. Other agents say they fail to experience any such change for the better; *that business is extremely dull and unsatisfactory and that to their minds there is very little in the present situation to justify much hope for the immediate future.*

Trade is still slow on ingrains. Manufacturers making cotton ingrains are finishing up old orders, which are very limited, only requiring a portion of their looms to complete them, *and they hesitate under present conditions to place large orders for* 2-14s *chain yarn.* —*American Wool and Cotton Reporter*, September 20, 1900.

SHOES AND LEATHER.

No wonder business has been dull and depressed. A half million cases of shoes taken out of the trading of a half year is a great loss. Counting twenty-four pairs to a case, *THERE WERE TWELVE MILLION FEWER PAIRS OF SHOES SHIPPED FROM BOSTON THAN IN THE SAME SIX MONTHS OF* 1899. Counting thirty-six pairs to a case, the loss was eighteen million pairs. *Perhaps fifteen million would be a fair average calculation, although this is too low rather than too high.*

There seems to be a well defined opinion that prices of leather of all kinds have reached the lowest point. People have entertained such a belief before, but have been compelled to modify it.

Under normal conditions most shoe manufacturers would consider this an opportune time to lay in a stock, *but the times have been out of joint so long and the business has been so unsettled and unsatisfactory that they have become intensely cautious and conservative*, AND CANNOT YET BE INDUCED TO PURCHASE ANY MORE THAN THEY NEED FOR IMMEDIATE USE, even though fully convinced that bargains are within their grasp.—*Shoe and Leather Reporter*, September 20, 1900.

IRON TRADE.

Every one is familiar with the tremendous falling off in the demand for iron and steel. The fall in prices has been almost as phenomenal as was the rise. Mills are idle in many places and a wage reduction has just been agreed upon by the Amalgamated Association of from 5 to 10 per cent. The larger concerns are wiping out the smaller ones. *The Iron Age* of September 13 contains a long homily on the present period of depression, and says:

A "boom" bears about the same relation to ordinary business that a banquet of many courses and unlimited wine, liquors, black coffee and strong cigars bears to the average daily dinner of a well ordered private family.

It then goes on to describe the causes in detail and concludes:

BUSINESS IN GENERAL.

In all of these reasons together *we find an explanation of* THE ALMOST INCOMPREHENSIBLE PHENOMENON OF A SUDDEN FALLING OFF IN CONSUMPTION, WHICH WITHIN A FEW WEEKS, OR SOMETIMES A FEW DAYS, CAN PRODUCE AN ABRUPT TRANSITION FROM EXTREME INDUSTRIAL ACTIVITY TO EXTREME INDUSTRIAL DEPRESSION.

The following is from *Dun's Weekly Report*, August 18, 1900:

After a great wave of advancing prices optimism as to business is generally dangerous. BUT THE TOP WAS REACHED THE MIDDLE OF MARCH, SINCE WHICH TIME REACTION HAS COME IN EVERY GREAT INDUSTRY, so that consumers are asking whether in some directions the decline may not have been unreasonably large, as was the advance, and whether buying on the present basis of prices is not fairly sure.

The *Commercial and Financial Chronicle*, August 25, 1900, says:

Business affairs have remained quiet and almost precisely as they were a week ago. *Indeed, each succeeding seven days cycle has for some time pretty much repeated its predecessor, except in one particular, which is that*

INCREASING LETHARGY HAS BEEN THROUGH THE WEEK A CONSTANT FEATURE. *The complaint seems to be a general impairment of industrial energy. Enterprise stands waiting;* AN APPARENT LOSS OF POWER TO BEGIN NEW WORK IS EVERYWHERE IN EVIDENCE; EVEN THE ORDINARY EXPANSION OF OLD PLANTS AND BUSINESS OPERATIONS IS LIKEWISE IN A LARGE MEASURE SUSPENDED.

BUSINESS FAILURES.

The accuracy of the foregoing statements are borne out by the remarkable increase in business failures. For July and August of this year the liabilities *are more than twice what they were during the same months of last year* ($17,095,678, as against $8,882,727). *As compared with July and August of* 1898 *they are* 23 *per cent greater and of* 1897 14 *per cent greater.*

During the second quarter of this year, i. e., April, May and June, the liabilities *were nearly three times as great as for the same period of last year* ($41,724,879, as against $14,910,902). *They were* 17 *per cent greater than for* 1898, 4 *per cent less than for* 1897, 3 *per cent more than for* 1896, *and* 10 *per cent more than for* 1895.

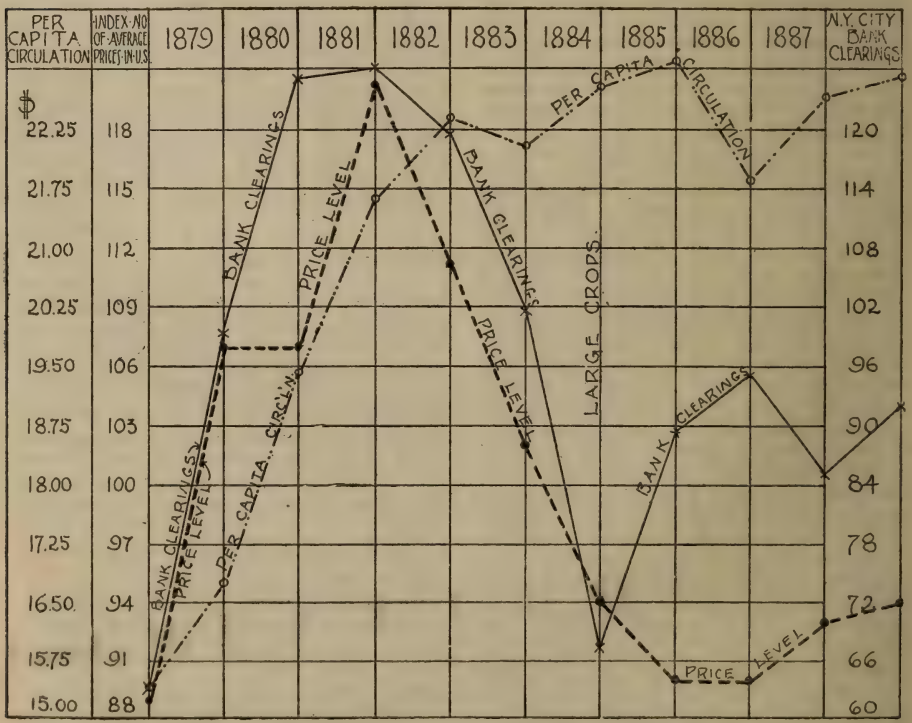
During the first quarter of this year the liabilities were 18 *per cent greater than for the like period of the preceding year and slightly greater than for the same period in* 1898.

The tide turned towards depression during the early months of this year, for the liabilities of the business failures in the preceding quarter were very low, namely, 40 per cent less than for the like period in 1898.

Comments on Charts II. and IV.

The present tendency to depression is shown on Chart II. at page 7. It *shows the falling price level and the resulting decrease in business, with an increase in bankruptcies.* After glancing at it, and noting, also, the fact that *we may continue to have a slight increase in the volume of money from*

CHART IV.



African gold mines, observe in the accompanying chart that *a slight increase in the volume of money* HAS SOMETIMES FAILED TO MAINTAIN PRICES AFTER TWO OR THREE YEARS OF RISING PRICES AND EXPANSION OF CREDITS, and as a result falling prices have set in, with contraction of credits, thereby accelerating the fall in prices and producing depression. For an example, see the preceding chart. It is also to be observed that the rise of the price level in this chart was about 31 per cent—practically the same as during the past three years, but *the increase in the volume of money during the '80s was greater proportionately than during the era just passed.* THEN IT WAS A 50 PER CENT INCREASE PER CAPITA, WHEREAS NOW IT HAS BEEN A 22 PER CENT INCREASE. This seems to show that the rise in the price level on so small an increase in the volume of money is largely the result of monopoly prices, *and now that it has started downward*, THERE IS LIKELY TO BE A MORE RAPID GROWTH OF DEPRESSION THAN FORMERLY, OWING TO AN ADDITIONAL CAUSE, NAMELY, MONOPOLY PRICES.

Later News: Depression Is Growing.

After the foregoing was in type, the writer examined Bradstreet's weekly paper, just issued (September 22). It shows the following conditions:

The bank clearings for the United States for the week ending September 20 show a *decrease of* 27.7 *per cent, as compared with the preceding year; outside New York a decrease of* 6.2 *per cent; in Canada a* 6.2 *per cent decrease.* [*In Europe there is also a decreasing business;* see the succeeding paragraphs.]

Reactionary tendencies appeared in the New York stock market this week. * * * The Steel stocks were weak, but have steadied somewhat, *their decline being due to unfavorable reports about earnings and the anticipated reduction in the price of steel rails.* The anthracite coal stocks naturally declined [owing to the strike]. [In railroad stocks] covering by shorts at moderate declines tended to steady the market AND RENDER ITS DOWNWARD COURSE A GRADUAL ONE.

Boston, Sept. 21.—The merchandise market is generally quiet. * * * The boot and shoe market is quiet. * * * Leather is quiet as a whole. * * * Hides are quiet. * * * Lumber quiet.

Business failures for the week numbered 183, *as against* 167 *last week*, 147 *in this week a year ago.* There has recently been a decree of foreclosure against the Chicago & Grand Trunk Railway Company.

About 700 employees of the Reading Iron Company went on strike yesterday at the Danville works *against a reduction in wages of* 25 *per cent.*

The York (Pa.) rolling mill has announced a reduction in the price per ton for puddling iron from $4 to $3.

The puddlers and other employees of the American Iron and Steel Manufacturing Company who struck several weeks ago *have decided to accept a reduction in wages and return to work.*

A notice has been posted at the four mills of the Susquehanna Iron and Steel Company, in Columbia, Pa., that on September 24 *a reduction of* 25 *per cent in the wages of puddlers* would go into effect, cutting them from $4 to $3 a ton. The workers at Lebanon *will accept the reduction.*

The Reading Iron Company, employing 2,500 men, has announced *a reduction of wages ranging from* 6 *to* 28 *per cent, to become effective October* 1. *Puddlers are to receive* $3 *instead of* $4 *per ton.*

The next week will probably see final action taken as to the remaining wage scales, AS TO WHICH DEPRESSING REPORTS ARE CURRENT.

Also a Growing Depression in Europe.

Bradstreet's weekly paper for September 22 has also the following data as to Europe:

A consular report says that *from many parts of Germany come* REPORTS OF STAGNATION IN MANUFACTURING INDUSTRIES, MORE ESPECIALLY IN TEXTILE BRANCHES. * * * In the first six months of 1900 the imports of wool into Germany *decreased* 20 *per cent in quantity* AND 45 PER CENT IN VALUE, as compared with the corresponding period of 1899. * * * The cause [of the depression in textile industry] is generally assigned to THE UNIVERSALLY DISCOURAGING STATE OF THE TEXTILE MARKETS, DUE TO OVER-PRODUCTION DURING THE PROSPEROUS SEASON OF 1899. THE FUTURE LOOKS SUFFICIENTLY DU-

BIOUS TO DETER ANY ONE FROM VENTURING AT PRESENT INTO LARGE CONTRACTS OF ANY SORT. In Polish Russia the production of the textile factories HAS DECREASED 70 PER CENT THIS YEAR IN COMPARISON WITH 1899. At Bradford and other British textile centers, factories have generally been forced to reduce their product *on account of scarcity of orders.* * * * Gold shipments have begun from London to Berlin, and while no gold has been ordered here, *there is fear of renewed specie exports* [from New York] *to London.* The net imports of gold for India from April 1 to June 30, 1900, amounted to 520,811 ounces [*over* $9,000,000 *for three months*].

B. The Future.

1. MONOPOLY PRICES.

a. Policy of McKinley Administration.

The present monopoly situation has come about while McKinley, Mark Hanna and the other leaders in the Republican party have controlled Congress and the administrative portion of the government. If the present monopoly situation is *the result* of their administration it would seem clear, then, that *to continue them in power would be to continue the present monopoly situation.* This probability is strengthened by the fact that they have refused to legislate for equality of railway rates, although petitioned by the Interstate Commerce Commission, and have refused to remove the tariff from monopoly goods. *While thus refusing to enforce the existing laws against monopoly they introduced in Congress a bill for the control of trusts* BY AMENDING THE CONSTITUTION OF THE UNITED STATES. *This amendment could not possibly be put through for years, is unnecessary and would take from the States the control of their internal affairs, and, therefore, should not be tolerated.*

b. Policy of Reform Party.

What is the policy of the parties opposed to the Administration? *The trust magnates are fighting the nominees of the Reform parties and all the railway magnates are fighting them.* This of itself is sufficient to show how the people in general should vote. And an examination of the platform of the leading party in the reform organization and of the history of its candidates shows clearly why the trusts and railways are fighting them. The platform says: *"We favor such an enlargement of the scope of the Interstate Commerce Law as will enable the commission to protect individuals and communities from* DISCRIMINATIONS AND THE PUBLIC FROM UNJUST AND UNFAIR TRANSPORTATION RATES." *"Tariff laws should be amended by putting the products of trusts upon the free list,* TO PREVENT MONOPOLY UNDER THE PLEA OF PROTECTION," *and other efficient remedies for monopolies are set forth.* They are considered in detail in a later portion of this volume.

Such are the comparative policies of the two great parties as to monopoly. The Reform party will really reform the monopoly condition, and thus prevent the evils which now flow from monopolies. Among these evils is industrial depression. An additional cause of industrial depression is the falling price level, and on this point let us compare the policies of the two contending parties:

THE FUTURE COURSE OF THE PRICE LEVEL.

a. Under McKinley Administration.

The McKinley party has concealed from the people *the cause* of the prosperity that has existed during the past three years, *and furthermore, its Currency Law of last March* HAS NOT PREVENTED A FALLING PRICE LEVEL SINCE APRIL. It is manifest, then, that to continue the McKinley party in power is *likely to continue the falling price level.* We are on the down grade, and this appears to the eye by a glance at the chart on page 7. *It can be stopped, however,* BY INCREASING THE VOLUME OF MONEY SUFFICIENTLY, AND SUCH IS THE POLICY OF THE REFORM PARTIES:—

b. The Policy of Reform Parties.

(1) OUTLINE.

The policy of the Reform parties is to stop the falling price level, restore it and then keep it stable. This was their policy four years ago, and it is their policy now. *This means a rising price level for a time, which will stimulate industry as it was stimulated in 1898 and '99, and after the restoration of the price level it will be kept stable, year after year.* THIS WILL CONTINUE THE PROSPERITY INDEFINITELY, EXCEPT AS MONOPOLIES INTERFERE, and the only way to handle the monopolies is to place the Reform parties in power—elect Bryan and a Reform Congress. The details of their financial policies are as follows:

(2) RESTORATION OF THE PRICE LEVEL BY MEANS OF STANDARD MONEY.

If the Democratic financial plank is upheld, *the price level will be restored to about where it stood last spring and then will be kept stable year after year.* A free silver law at 16 to 1 will raise it no higher, because the platform of 1900 declares that *standard silver money shall take the place of paper currency issued by private corporations*—some $300,000,000 or $400,000,000 by next spring. This silver will be represented by paper certificates, just as gold is represented by certificates. *All this silver will be used before there can be any increase in the volume of our money. The remainder of the silver that will come to us from abroad will not exceed* $500,000,000. Such an increase in the volume of money in the entire gold standard world will restore the price level to about where it was last spring. Every business man should hail with delight a policy that will so increase the volume of money as to put a stop to the falling price level and the growing depression and reverse the situation, thus putting farm prices and all other competitive prices on the up grade, stimulating industry in all its branches. Since our recent experience of the delightful effect of an increase in the volume of money and rising prices, our people are no longer frightened by the declaration that it will injure them. The only men who object to a restoration of the price level are the creditor class.

The Administration has attempted to stop the falling price level by the issue of more money, but their system for accomplishing this is insufficient. Through the private banks it has put out about $100,000,000 of paper money. The Reform parties desire to sweep this private paper money out of existence and put in its place "the dollar of our daddies"—full legal tender money—each dollar worth one hundred cents, and the metal worth its face value. This is better than private paper money. The platform of the Democratic party is set forth at page 52 below.

3. DIRECT CONTROL OF VOLUME OF PAPER CURRENCY BY GOVERNMENT OFFICIALS, UNDER DEFINITE RULE AS TO STABILITY IN MONEY MARKET AND PRICE LEVEL.

The foregoing relates to the metallic money that is given free coinage. This is termed "standard money." But this is only one portion of the money that is in use. Let us consider the policy of the Reform parties as to the paper currency. There is a paper currency in use *and all are agreed that we must continue to supplement our metallic money with some form of it.* Should all our paper currency be withdrawn it would cause prices to fall. There are $346,000,000 in greenbacks and about the same amount in private paper currency, making a total of about $700,000,000. This is about one-third of all the money we have.

The policy of the reform parties is to repeal the law which grants to private corporations the power to issue paper currency, replace this private paper currency *with standard money*, and THENCEFORTH KEEP IN THE HANDS OF A DEPARTMENT OF THE GOVERNMENT THE ISSUANCE AND WITHDRAWAL OF ALL PAPER CURRENCY. *The officers of the government would operate under an express command that the volume should be such that the price level would neither rise nor fall.* In other words, when the reform forces come into power, *Congress will lay down a definite and just rule as to the volume of the paper currency.* No longer will there be violent fluctuations in the interest rate of money and this will put an end to fluctuations in the price level. This, in addition to dealing out exact justice as between debtor and creditor and maintaining prosperity because of a stable price level, *will remove the money question from politics;* where a law is manifestly just there is no party that will advocate its repeal.

We shall now proceed to demonstrate that this policy proposed by the Reform parties is not visionary, *but is a system similar to that which prevails in all the leading countries of Europe.* On the other hand, the Administration's policy, as set forth in its currency law of last March, *is the exact opposite of the European systems.* No first-class country in the world, except the United States, has a monetary system that is at all like the one provided for in the Administration's Currency Law of last March.

c. Comparison With European Systems for Controlling Money Market and Price Level.

(1) OUTLINE.

(2) IN DETAIL.

(a) *Elementary Principles.*

(b) *Direct Control by the Government.*

(c) *Combined Control by the Government and Representatives of Producing Classes.*

(d) *Control Through the Representatives of the Producing Classes.*

(e) *War Chests of Gold—European States Distinguished from the United States.*

(1.) OUTLINE.

Under the Administration's Currency Law, *the private individuals whose business is that of loaning money and credit and speculating in stocks* ARE GIVEN A MONOPOLY CONTROL OF THE SUPPLY OF NEW CURRENCY. But in Germany, France, Austria, Russia and other great countries the control of currency is in the governments themselves, or in the hands of the commercial classes—classes which are injured by high interest rates and fluctuations in prices.

Let us examine in detail these European systems, for they demonstrate the

evils of the Currency Law of last March and prove that the policy advocated by the Reform parties is in line with the European systems, except that we differ from them in not needing a fixed volume of gold—a weapon of war.

(2.) IN DETAIL.

(a.) Elementary Principles.

(a1) As to Control.

It is a well-known law of money and prices that an export of gold from this country *tends to lower prices* and that an inflow of money *tends to raise prices;* and that likewise an increase in the volume of paper money tends to raise prices, while a contraction tends to depress prices.

The way that changes in the volume of money operate on prices is through the interest rate on money—the bank rate. A raise in the bank rate makes it less profitable to hold property and pay the bank rate of interest—it lowers the value of the property and consequently some of the holders of property offer it at a lower price. This results in a larger amount of sales over those which would otherwise have occurred, and some of the loans receiving the highest interest rate are paid, thus increasing the "reserves" in the banks—increasing the cash in the bank as compared with the amount owing by the bank to depositors. On the other hand, a lowering of the bank rate makes it more profitable to hold property and pay the bank rate of interest—it raises the value of property and consequently some of the would-be purchasers of property increase their offers. This results in a larger amount of sales over that which otherwise would have occurred, and so some of the property is paid for with money drawn from the banks, and some of the purchasers borrow money or credit from the banks. This reduces the bank reserves.

It follows that THEY WHO CONTROL THE BANK RATE CONTROL THE PRICE LEVEL, *if the volume of money remains stationary.*

But if the volume of money *does not remain stationary, but is elastic,* THEN THE BANK RATE NO LONGER CONTROLS THE PRICE LEVEL. For example, if the supply of money can be increased to take the place of credit, should it be withdrawn, it is apparent that *those who control the supply of credit do not control price level;* and if the supply of money can be made smaller whenever the volume of credit is inflated, it is again clear that those who control the supply of credit do not control the price level.

EFFECT OF CONTROL OF VOLUME OF PAPER CURRENCY.

Stated in a slightly different form from the foregoing, it may be said that THOSE WHO CONTROL THE SUPPLY OF MONEY CONTROL THE BANK RATE, AND THUS CONTROL THE PRICE LEVEL. For example, the price level can be raised if the volume of money in circulation is sufficiently increased; and, on the other hand, the price level can be lowered if the volume of money in circulation is lessened sufficiently.

(b1) Effect of Rising and Falling Prices.

Another important principle is that a falling price level increases the purchasing power of money and of debts payable in money.

EFFECT OF FALLING PRICE LEVEL.

"Falling prices" also disorganize the forces engaged in production, and the disorganization has been in proportion to the length of time that the falling prices have continued and the severity of the falls. All this is demonstrated by history.

The disorganization of industry is evidenced by the unemployed and the

hungry and homeless men and women while food and clothing pile up higher and higher and wages and profits fall. This is termed a depression in industry.

Falling prices have always ended whenever the volume of money in circulation has been increased sufficiently. (Idle money in banks is not "in circulation.")

HOW TO STOP FALLING PRICE LEVEL.

With the cessation of falling prices and an outlook for rising prices for products, it pays to produce things for sale, and consequently the unemployed workmen and capital are both offered work, and soon the demand for workers and capital results in increased wages in the competitive industries and higher rates of interest for capital, and the profits of the employers are also higher than usual.

This increased wage, profit, and interest, comes from two sources, namely: The increased activity in all lines of production results in a considerable increase in the national product; and the rising prices mean that a shrinking volume of products is required to pay interest charges and other obligations which call for money.

(c1) THE IDEAL SYSTEM.

The ideal monetary system is one in which each unit of money shall have a steady purchasing power; in other words, that the prices for products shall, on the average, not fluctuate, but remain stable.

Let us turn to some of the leading countries of the world and examine the systems whereby the price level is controlled and thereby is determined the volume of business and its profitableness in general, the purchasing power of money, and even national elections.

(b.) Direct Control by the Government.

In Germany, Austria, Russia, and possibly some other states, the Government controls the price level within its borders, and in a direct manner. In each of the three last mentioned states there is a central bank, with many branches, the capital of which is contributed by individuals, while the Government, acting directly through its officers, directs the policy as to the interest rate and the issuing of paper money.

GERMANY.

By a law of 1875 there was created the German Imperial Bank. The capital is contributed by individuals, but the control of the bank is through a board of inspectors. This is composed of the chancellor of the Empire, as president, and four other persons, one of whom is appointed by the Emperor, and the other three by the federal council.

This board holds its meetings quarterly. The president of the board of inspectors—namely, *the chancellor of the Empire, or his representative as appointed by the Emperor—directs the entire administration of the bank, except as to its business relations with the Government.*

There is an *advisory body*, which is termed the board of directors. Its members are recommended by the federal council and appointed for life by the Kaiser. It is manifest, then, that these advisers are also government officials. From the standpoint of the public, the board of directors appear as the administrative and executive corps of the bank.

No officer of the bank is permitted to hold shares in the same. The shareholders meet annually in what is termed a general assembly. At these meetings they elect a central committee, consisting of fifteen members, and a substitute for each; nine of the members and their substitutes must reside in Berlin, the situs of the bank. The term of office is three years, subject

to re-election, and one-third are elected each year.

The duties of the central committee are to make monthly examinations of the weekly reports and to promptly communicate the results to the auditor of accounts; also to make recommendations as to the maximum rate of discount and interest on loans, changes in contracts with other German banks, etc., and to make recommendations as to the filling of vacancies in the board of directors.

The shareholders are also represented by three deputies, who are members of the central committee. They are authorized to attend all the sessions of the board of directors with advisory votes. Furthermore, the business of the bank with the official departments of the Empire or the federal states is under the control of these three deputies, except as the central committee may choose to overrule their decisions.

From the foregoing it is clear that the chancellor of the Empire, as the administrative officer of the bank, determines the interest rate at the bank except as the board of inspectors at the quarterly meeting may lay down rules for the determination of the bank rate and the volume of paper money, and as the German parliament enacts laws for the regulation of the price level.

To enable the Imperial Bank to control the price level with greater precision than heretofore, a law of April 29, 1899, provides that the state banks shall not discount at less than the rate at the Imperial Bank, except when the interest rate is below 4 per cent, and in no case shall they discount more than a quarter of 1 per cent below the official rate.

The discounting of bills of exchange and the granting of loans are under statutory regulation—fixed rules—thus leaving no discretionary power in the hands of the officials after the bank rate is fixed, and the rules are such as tend to give equality of opportunity. It appears that the rules were such that the large houses received a lower rate of interest than the smaller ones, and it brought forth protests. The result was that the law of last April prohibits discounts below the official rate except when the rate is less than 4 per cent.

As to paper money, there are in Germany treasury notes and bank notes. The issue and withdrawal of the former is manifestly under direct governmental control, and such also is the case, we shall find, as to bank notes. It is this way:

The law of 1875 provides that there may be 385,000,000 marks of uncovered bank notes—paper money—with no special deposit back of it in the way of bullion or other security. Some of this paper money was apportioned to the state banks, but the conditions were so burdensome that it was reported a few years ago that most of the banks have abjured the right to issue these bank notes.

By the act of April 29, 1899, the amount of uncovered notes is increased 156,600,000 marks, making the total amount that may be issued 541,600,000 marks, and of this the Imperial Bank is empowered to issue 450,000,000. Up to this maximum the chancellor of the Empire is empowered to issue uncovered paper money. Recommendations may be offered by the board of directors.

Beyond the above maximum of uncovered notes the Imperial Bank is empowered to issue bank notes secured by deposits and the payment of interest at the rate of 5 per cent per annum. This is a high rate in Germany, and therefore it is seldom that it pays to issue bank notes under this power. As rapidly as the stress for money is passed, the 5 per cent rate forces the secured bank notes into retirement.

With this elastic volume of money at hand there is no possibility of a

panic for money, whereas in England, with a fixed limit, there has occurred since 1844 three instances in which the Government officials empowered the bank to go beyond the limit in order to avoid a panic for money. The "elastic limit" system of Germany has been adopted by Austria and Japan, but in the United States and England the beneficiaries of a fluctuating price level have been able to defeat its adoption.

The manufacture and cancellation of German bank notes is under the control of the imperial deputy commissioners or court of accounts, and a special associate commissioner is appointed by the Emperor for this particular business.

There are many branch banks in Germany, but they are parts of the Government institutions—*no private corporation is empowered to establish a branch bank.* And the same is true as to Austria and France. In England the private corporations are given the right to establish branch banks, but they are not permitted to control the price level.

AUSTRIA-HUNGARY.

In Austria there is also a central bank with branches, as in Germany, and the capital is likewise contributed by private individuals, *while the control of the bank is in the Government.* In this way the Government controls the interest rate for short-time loans and the volume of paper money, and thus keeps at the desired point the country's price level.

A law enacted during the present year has strengthened the Government control of the price level. In the words of l'Economiste European of January 3, 1899, "A series of provisions has been made which transforms the bank into an institution of higher politics, *and submits it entirely to the influence of the two Governments.*"

RUSSIA.

Through the Bank of Russia *the Government of the Czar controls the price level.* In its new monetary law of 1899 it declares at the outset that the right to coin money and put it in circulation is part of the sovereign right of the State. In other words, the control of the price level and the profitableness of business should not be in the hands of those who reap a profit while society is being injured. The full meaning of this will appear when we consider the control of the price level by the money-loaning class, speculators and foreign governments, and the arbitrary will of the President of the United States.

(c) Combined Control by Government and Representatives of Producing Classes.

FRANCE.

The Bank of France is empowered to issue the paper money of the country and it controls the bank rate. The central office is at Paris and there are branches throughout the state. The capital is contributed by individuals, while the control of the bank is as follows:

There is a council which fixes the interest rate and determines the volume of paper money, except as an increase may be vetoed by the censors, who are appointed by the commercial classes.

The council is composed of the governor and his two assistants, called under-governors, all three of whom are appointed by the President of the Republic. A board of regents and three censors are chosen by an assemblage consisting of 200 of the largest owners of shares, all of whom must be French citizens. Each shareholder has *but one vote, and there are no proxies.*

The general assembly meets yearly, electing regents for five years and censors for three. Five regents and all of the censors *must be from the commercial classes*, and in these are included the manufacturing interests. Three of the regents must be chosen from among

the officials of the treasury general disbursement office.

THUS IT IS THAT THE MAJORITY OF THE COUNCIL CANNOT CONSIST OF BANKERS—those whose business is that of buying and selling credits—and it follows that THROUGH THE COMBINED ACTION OF THE COMMERCIAL CLASSES AND GOVERNMENT OFFICIALS THE BANK RATE IS GAUGED AND THE VOLUME OF THE PAPER MONEY IS DETERMINED, EXCEPT THAT THE CENSORS SELECTED BY THE COMMERCIAL CLASSES MAY VETO A PROPOSAL TO ISSUE PAPER MONEY.

(d) Control Through Representatives of the Producing Classes.

In England the control of the price level is in the Bank of England, and *all the directors of the governing board of this bank are engaged in commercial or other industrial pursuits.* BANKERS ARE EXPRESSLY PROHIBITED FROM BECOMING MEMBERS OF THE GOVERNING BOARD. In the words of Bagehot in his volume on Lombard street, "Not only no private banker is a director of the Bank of England, but no director of any joint stock bank would be allowed to become such. *The two situations would be taken to be incompatible.*" The reason for this he shows in an earlier chapter. He points out that the control of the price level is in the interest rate for money at the Bank of England—the bank rate.

In recent years the growth of the banking interests, other than the Bank of England, has so weakened the power of the Bank of England that a movement is on foot to so amend the system as to increase its power over the price level and enlarge the volume of gold within the country.

SUMMARY.

REVIEWING THE FOREGOING, IT APPEARS THAT IN THE LEADING COUNTRIES OF EUROPE, THE PRICE LEVEL IS CONTROLLED BY THE GOVERNMENT DIRECT, OR BY THE GOVERNMENT IN COMBINATION WITH REPRESENTATIVES OF THE PRODUCING CLASSES, OR THE CONTROL IS SOLELY BY REPRESENTATIVE OF THE PRODUCING CLASSES.

(e) War Chests of Gold--European States Distinguished from the United States.

In the close competition between these countries as to strength in case of war, we may be reasonably sure that *the systems which have not tended to national strength*—the stimulation of industry and the maintenance of a war footing—*have been discarded.*

But in the United States, a country which has been free from dangers from without, *the control of prices, and therefore the control of industry, is by* THE PRIVATE CORPORATIONS KNOWN AS BANKS, except as interfered with by the President, by foreign bankers, by foreign governments, or by "bear" speculators. Proof that this statement is not overdrawn is as follows:

d. Existing System in the United States for Control of the Money Market and Price Level.

(1) Foreign Governments Have Power to Control.
(2) Foreign Bankers Have Power to Control.
(3) President has Discretionary Power to Control.
(4) Speculators Not Connected with Banking Interests Have Power to Control.
(5) The Great Speculative Money-Loaners and Trust Magnates of New York City Control Except as Interfered with by the Above Mentioned Powers.

(1) FOREIGN GOVERNMENTS HAVE POWER TO CONTROL.

As stated in the foregoing section of "Elementary Principles," "it is a well-known law of money and prices that an export of gold from this country tends to lower prices and that an inflow of money tends to raise prices."

We have seen that the Governments of Germany, Austria and Russia control at will the volume of gold within their territory, *and thereby are able to draw gold from this country at will or to send it into this and other countries.* In France it is the combined action of the officers of the Government and representatives of the commercial classes, and in England it is the commercial classes who control the export and import of gold.

Examples of the way these countries have deliberately raised their price levels and exported gold to this country, *thereby raising our price level* and determining the profitableness of business and national elections, and then withdrawn gold from us, *thereby lowering our price level*, and thus increasing the value of the debts due to these creditor countries of Europe are as follows:

The European powers have for years been competing on a war footing. Gold is one of the war weapons. In 1873 France, to keep Germany from getting her gold money in exchange for silver, closed her mints to the free coinage of silver, and since that time the "struggle for gold" has continued. From 1873 to about July, 1879, the price levels in France, England, and the other great countries of Europe were so controlled as to keep within each country a quantity of gold *proportioned to that held by the competing nations.* In doing this the price levels were forced down and down, and industry was disorganized.

After six years of these falling prices and a broken par of exchange with silver using countries, industries in the gold standard countries were horribly disorganized, and the governments of Germany, France, United States and other countries were in danger of being overthrown. In 1848, 1832, 1789, and other periods the disorganizing effect of falling prices and other abuses reached the point where revolution did step in.

INFLATION, 1879-80.

The stress in 1879 resulted in an inflation of paper money by the Imperial Bank of Germany. Then followed an increase in paper money through the Bank of France, and during this time the coin reserves were reduced in the Bank of France, the Bank of England, and the Bank of Germany. *The amount of these reductions in the gold hoards is stated in the New York World, December*, 1879, *at* $104,000,000, *and the paper circulation in Germany and France increased* $72,000,000. Prices in Germany for the last six months of 1879 rose 3 per cent on the average (see Soetbeer's Table of Prices); for the same period of time the average of prices in England rose 2 per cent (see Sauerbeck's Table of Prices), and gold flowed to the United States. During the last five months of 1879 the amount of gold poured into the United

States was $78,000,000 (see Appleton's Annual Cyclopedia for 1879, page 370), while for the preceding year the net amount of gold imported into the United States had been but $1,000,000.

With this increase in the volume of money in the United States, combined with the increase from the silver purchase law of 1878, *the price of products rose, and with rising prices there came, as usual, prosperity to the producing classes.* In the national election of 1880, the candidates of the party who championed the system under which the falling prices had occurred were elected. The party which had fought against the falling prices of the preceding years was defeated, and the following is the reason assigned by President-elect Garfield, in a letter to John Sherman: "The distrust of the solid South *and the adverse financial legislation* have been the chief factors in the contest."—(See John Sherman's Memoirs, page 789.)

In France and Germany there was the usual prosperity which results from an increasing volume of money and rising prices. But the bankers and the other beneficiaries of fluctuating prices and falling prices so controlled the press and the other sources of knowledge that *the people were led to believe that the cause of the prosperity was the recently enacted protective tariff*, whereby the prices of *agricultural produce* had been raised. These protective duties in France and Germany had been levied to appease the land-owning element *and to lead the people to believe that the falling prices were due to competition and not to a decreasing volume of money.*

In England, with its free trade policy, a different excuse was foisted upon the public by the creditor class and the other beneficiaries of the existing monetary system.

CONTRACTION, 1882-1887.

But the prosperity for the producing classes was short-lived, the paper money was withdrawn, the gold hoards were increased, and the dominant power in Italy and other European countries purchased gold for use as money. *This contracted the volume of money and tended to produce falling prices and hard times.* The Bankers' Magazine, of New York, for July, 1884, in an editorial on "The monetary circulation," set forth that for the year the increase in monetary circulation within the country was only $10,000,000, whereas the expansion of population was such as to call for at least $40,000,000, if the price level was to be maintained.

Falling prices continued throughout the gold standard world. Commissions on the depression of industry were appointed. In England such a commission reported to Parliament in 1886, calling attention to the falls in the price level and the broken par of exchange with silver using countries, and asked that a special commission be appointed to examine into the matter. Shortly after, a Royal Gold and Silver Commission was appointed. It began taking evidence November 12, 1886, *and the beneficiaries of falling prices were not slow in recognizing that something must be done to relieve the depression for a time, or the public would demand a change in the monetary legislation.*

INFLATION, 1887-1888.

Accordingly the volume of money in Europe was so increased that for 1887 the net import of gold into the United States was $33,209,414, whereas for the preceding year the exports of gold from the United States had exceeded the imports by $22,208,842. The rise in prices in the United States for 1887 averaged seven-tenths of 1 per cent. The next year the net import of gold into the United States was $25,558,000 and the rise in general prices was 1 1-6 per cent. In England the rise in general prices for 1888 was 3 per cent, and probably about the same in the other gold price countries.

The effect of rising prices was to again set in motion the wheels of industry in all the gold price countries.

CONTRACTION, 1893-1895.

During 1893 and 1894 there were severe falls in the price level, with a proportionate disorganization of industry. This disorganization was greatest in the autumn and winter of 1894-95, caused by stringencies in the money market, *brought about by those who were attempting to secure the retirement of the greenbacks and the delegation to the banks of power to issue the paper currency.*

INFLATION, 1895.

But the effort to retire the greenbacks was unsuccessful, and in order to stem the rising tide of discontent with the falling prices and hard times and the growing favor accorded to the remedy of free silver, *there was an inflation of the volume of money and credit and a partial restoration of prices.*

In the contract with President Cleveland for gold it was agreed that $31,000,000 in gold should be imported and no gold exported before October, at which time it would be needed to move the crops, and shortly afterwards the German Government began issuing paper money through the Imperial Bank, reduced its coin reserve, and expanded credit. In this way the German Government *increased the money in use* $101,000,000 *by October 1; credits were expanded in all countries, and of course prices rose.* In England the rise in prices of products averaged 5 per cent, and in the United States from January 1 to July 1 the rise was 8 per cent.

CONTRACTION, 1895-1897.

But the restoration of good times for the producing classes did not last over the Presidential election, owing to the action of the Russian Government. About July 1, it reached out *and at one fell swoop took from the market* $79,000,000 *in gold and placed it in its war chest.* The "shiver" which this produced throughout the entire gold standard world is chronicled in the daily press. The rise in prices was checked, and they began to fall in October and continued falling, with only slight reactions, all through the following months and up to the Presidential election. *Owing to the falling prices and hard times* THE REPRESENTATIVES OF THE PRODUCING CLASSES WERE ABLE TO CAPTURE THE DEMOCRATIC ORGANIZATION AND MAKE A FIGHT AGAINST CONTRACTION AND FALLING PRICES. So close was the contest that a change of 20,000 votes properly distributed would have elected their Presidential nominee, William Jennings Bryan.

During the year 1896 and the first six months of the following year the governments of Western Europe, Russia and the United States withdrew from circulation more than $200,000,000 of money, thus more than offsetting the increase in the volume of money from the gold mines. As the population of the world was increasing and the volume of money did not increase, *prices continued to fall.* (Same effect, data at page 11, above.) But the industrial conditions were again so "hard" that a measure of prosperity had to be restored to the producing classes or the governments would pass into the hands of their representatives.

INFLATION, 1897-1899.

Accordingly we find that gold hoarding in Europe practically ceased (for data see page 11 ,above), *thus permitting the stream of new gold to increase the volume of money. At the same time the output of gold increased throughout the world,* and these facts, together with the gold discoveries in the Klondike, led people to believe that falling prices were stopped for a time, and that the usual inflation of credit and prices would follow. *And such was the case. But the apex of the* credit expansion was reached last April and for months the price level has been falling..

From the foregoing facts it is clear

that our price level is controlled by foreign governments and by accident; that is, by the accidental discovery and output of gold. As we shall now show, our price level is also controlled by an international banking ring.

(2) FOREIGN BANKERS HAVE POWER TO CONTROL.

Under the existing monetary system and that proposed under the name of "sound money," *the creditor class, residing in London, Berlin, Paris, and the other cities of Europe,* CAN CONTROL OUR PRICE LEVEL AT WILL, unless their efforts are offset by the bankers in this country or by the Chief Executive of this Government. This I shall demonstrate. *But these great bankers of London, Berlin and Paris* ARE UNABLE TO CONTROL THE PRICE LEVEL IN THEIR SEVERAL COUNTRIES.

An illustration of one of the ways in which the European money loaners operate in this country is as follows: In December, 1895, President Cleveland delivered his "Venezuela" message. At this time the gold reserve was down to about $70,000,000, and the moneyed interests were doing their best to retire the greenbacks.

The third day after the President's message there were cablegrams to the daily press of this country stating that there had been a meeting in London of the leading moneyed men of England, and that the question under discussion was, *"Shall all English houses withdraw their credits from the United States?"* The result of this conference was as follows:

The next morning the price of stocks in New York tumbled as if a military war had been declared. During two days first-class stocks like the New Jersey Central fell 17⅞ points; Rock Island, 16⅛; Pullman, 15¾; St. Paul, 15½; Lake Shore, 14⅞; Burlington, 14⅜; New York Central, 10¼; Illinois Central, 10. *The cause of this was the withdrawal of credits by the European bankers and the failure of our system to put in its place another medium of exchange.*

In the words of the daily press, "None of the moneyed institutions of New York would renew loans at less than 4 per cent, and many of them would make no renewals at any advance. To carry stock along, money was frequently loaned at as high a figure as 75 per cent before 2 o'clock." (Chicago Times-Herald, December 21, 1895.) This action by the banks was taken in the face of the fact that the surplus reserve in the New York banks amounted to $20,000,000. All this occurred when nothing new in the controversy between the United States and London had occurred since three days previous.

The fact is that the moneyed interests simply took the opportunity to "work" the stock market, and, what is evidently of far more importance to them, to influence legislation for the retirement of the greenbacks. The effort to force legislation for the retirement of greenbacks is a matter of history. The Congressional Record and the daily press show very fully that the panic in Wall Street was assigned as a reason for the retirement of the greenbacks, whereas it should have been an argument for the retirement of bank money and the substitution of an elastic volume of paper currency, controlled for the express object of taking the place of credit should it be withdrawn. Under the existing system the foreign bankers control at will our price level.

(3) THE PRESIDENT HAS DISCRETIONARY POWER TO CONTROL.

The President of the United States, through his Secretary of the Treasury, is by law clothed with *discretionary power to leave on deposit* with the private corporations known as national banks all the funds of the United States

except from import duties, *and he can withdraw them at pleasure;* he is also empowered to prepay interest in advance up to one year and to purchase bonds before maturity. Illustrations of the way in which this great power has been exercised:

October 31, 1897, the amount of Government money on deposit with national banks was $13,000,000. The next month it was increased to $33,000,000; during December to $44,000,000, and eleven months later it was $91,000,000—*an increase of about* 300 *per cent in one year.* This tended, of course, to make prices rise.

November 15 of last year (1899), Secretary Gage, after consulting with the President, announced that the Department of the Treasury would pay cash for $25,000,000 of bonds, the price to be that of the preceding day. The result upon the money market was instantaneous. The interest rate on call loans dropped from 8 per cent to from 4 to 6 per cent, and the prices of stocks soared upward. The increased market value of 22 stocks over the low point of the preceding Saturday soon amounted to $48,000,000.

A special dispatch from Washington to the New York *World* states that *previous to the public announcement* by the Secretary or the President that the $25,000,000 of money would be put into circulation *there came over the wires to New York from Washington large orders to buy stocks,* and this led to inquiries from New York as to the cause of the heavy buying and the suggestion that from the identity of the buyers it appeared that the Secretary was preparing to buy bonds. It was also stated in the daily press that there was evidence that "knowledge of the contemplated action of the Treasury Department reached a few insiders in Wall Street before its official announcement here."

Last spring, when Spain was to be paid the $20,000,000 called for by the treaty, there was an urgent inquiry as to whether the funds would be withdrawn from the New York banks by checking from the Government deposits, or whether they would come from the idle money in the Treasury, *but for a considerable time the general public did not learn of a decision,* and in the meantime *those who had inside information* were able to gamble in stocks with absolute certainty of winning.

Not long after the foregoing occurred, there was a stringent money market in New York and the weekly bank statement on Saturday morning showed a great reduction in bank reserves, *and it was then publicly stated for the first time that during the week the Government had withdrawn from its deposits some* $16,000,000. Not long after this, the weekly bank statement showed a larger reserve than was expected, and *the public were then informed that interest had been paid in advance.* And again, inside of sixty days, came the $25,000,000 flood of money, as above noted, and shortly afterwards the President chose to announce that he would put $40,000,000 into circulation by leaving it on deposit with the banks.

With this great power in the President to contract and expand the volume of money at will, is it to be wondered at that the great speculators are deeply interested in the nominations for the Presidency and in the elections? Blaine was defeated for President by Wall Street (see "The Money Question," pages 432, 434), while in 1880 the Democratic nominee was defeated by Wall Street, as the letter from Garfield to Sherman, above quoted, shows.

Further illustrations of the way prices have been controlled by the President through his Secretary of the Treasury are set forth in Professor Kinley's book. "The Independent Treasury of the United States." Among other things he describes the manner in which the Treasury funds were handled in 1872,

and in conclusion says: *"It favored speculation rather than legitimate business,* so that its influence must on the whole, be set down as evil. * * * The *same thing is true, on the whole, of the year* 1873." No definite, consistent and continuous policy was adopted for guiding the relations of the Treasury to the business community.

Illustrative of the effect of the Treasury operations on the market, Professor Kinley quotes the following from Grosvenor on American Securities: "At the New York sub-Treasury, an official brought out and posted a written notice announcing that the Government would redeem on a certain day bonds amounting to $10,000,000. * * * *Within five minutes orders began to pour into the exchange for the purchase of stocks.* At the same time those who had stocks to sell *were warned by messengers to hold them at high prices. A sudden upward rush of prices occurred."*

During President Harrison's administration the Government receipts greatly exceeded the expenditures, and to keep the money in circulation, bonds were purchased in advance of maturity, interest was paid in advance and money left with the banks on deposit. In the President's annual message, December, 1891, he pointed out that the Treasury had put back into circulation $89,000,000. As to how this was done, Professor Kinley points out in his book, The Independent Treasury.

"The Government poured out over $34,000,000, net, in September (1890); *withdrew nearly eight millions in the following two months;* let out over six millions in December; and in the last four months of the period made a net addition to the money afloat by its ordinary operations of nearly $26,000,000. * * * *So great an irregularity as these figures show in the supply of money can not have a tendency to render prices also regular.* Of course the effect of the spasmodic variation is felt first in speculation. But the influence of speculation on prices makes itself felt all through business, if the variations are more than what may be called momentary."

The President also has a negative power. He may refuse to build up the gold reserve. Illustrations of how this mighty power has been used to the detriment of the producing classes are as follows:

During 1893, when the administration, in combination with the banking class, was endeavoring to secure the unconditional repeal of the silver purchase law, *the panic which occurred could have been stopped at any time by the President exercising his power to purchase gold and keep the reserve up to a hundred million dollars.*

Again, during the autumn of 1894 and the following winter there was a determined effort to retire the greenbacks and give to the private corporations the power to issue all the paper currency. In January, when the final effort was being made, President Cleveland refused to build up the gold reserve, and private individuals withdrew from the Treasury great quantities of gold. On January 25, the amount of gold thus withdrawn was over $7,000,000. A New York dispatch said: "It is believed to be the largest amount of gold ever withdrawn from the Treasury in a single day. This leaves the reserve at $56,782,858. But the amount of gold coin on hand is only $12,912,280. It is freely predicted that the country will be on a silver basis next Monday."

The next day (Saturday), a telegram from Washington stated: "The President has been quoted recently that he was indisposed to authorize another issue of bonds until it became certain that Congress would refuse to do anything." On the following Monday, the President sent a special message to Congress on the financial situation, and during the day over $4,000,000 in gold

was withdrawn from the Treasury through the presentation of greenbacks; and we are informed by the editor of Bradstreet's Weekly that during the day "the Treasury was confronted by *the prospect of an actual crisis and the country by another and worse panic than that which had just subsided* (in 1893)."

Eleven months later (December, 1895), the above process was repeated; there was a refusal to build up the gold reserve, the banking interests raided the gold reserve and the stock market, and thus was pressure brought upon the country and upon Congress to retire the greenbacks and substitute bank money. A description is given above in the section dealing with the control of our prices by foreign bankers.

The remedy is to change the discretionary power of the government official INTO AN IMPERATIVE DUTY TO FOLLOW SUCH FIXED RULES AS SHALL MAINTAIN A STABLE AVERAGE OF PRICES. This is practicable, and it will remove the money question from politics.

The Evil.

The principal evil of the existing system was tersely set forth by Secretary of the Treasury Gage. In answer to those who criticised the placing of the Government behind the stock market on November 15, by offering to put $25,000,000 into circulation, he said: "If the Department had failed to offer to purchase bonds, then it would have been charged with aiding and abetting the speculators whose aim was to force prices down, impair confidence, and bring on a panic. *It is a case of being damned if you do and damned if you don't.*"

The Remedy.

The remedy, manifestly, is for Congress to relieve the President and Secretary of the Treasury *by establishing a fixed rule for the control of the price level*, and thereby advance to the high stage of industrial development which our peculiar situation invites us.

NEED FOR STABLE PRICE LEVEL.

The evil which results from a tendency to falling prices and the need for a stable price level year after year were admirably stated by Secretary Gage in connection with the foregoing quotation. He said:

> Throughout the country there was as to the course of prices a growing anxiety in the minds of those engaged in productive industry like manufactures. The manufacturer has to buy raw materials oftentimes far in advance of his immediate necessities. Few have capital enough to pay cash down, but rely upon the use of credit.
>
> When anxiety and doubts about the future *(i. e., when doubts as to the maintenance of prices)* reach this class, they check operations. The fear that such raw materials as they may contemplate buying will not, when the labor cost shall have been added, find a market at fair prices naturally *causes them to hesitate.*
>
> So it can readily be seen that the question was not a question of New York alone, nor of the speculators in New York alone, but that it was possible that the far-reaching effects of this anxiety [*about prices*] might touch every industry in the country. Whether it would go so far or not was a question which neither the Secretary of the Treasury nor any other human being could determine. In such matters one can not draw definite conclusions from a set of facts, however clearly understood. It is the influence of these facts upon the minds and imaginations of the public that cannot be measured.
>
> It was the department's fair belief that the situation so manifested in New York would by natural causes cure itself. On the other hand, the situation was so delicate and might at any time be seriously aggravated by some unforeseen circumstances. It is further to be considered that the Treasury itself was in danger of aggravating the situation by a further locking up of funds in the vaults of the Government, to the prejudice of individuals and business interests.

The remedy for the foregoing condition of things is clear. *Congress should pass a law relieving the President and Secretary of the Treasury* FROM ALL

DISCRETION IN THE MATTER. In other words, Congress should establish fixed rules for the control of the price level, thereby taking from the administrative officers all discretion in the matter. Senator John Sherman declared in 1868 that the President, through the Secretary of the Treasury, ought not to have this tremendous discretionary power. His words are: *"Congress ought to resume control of the currency,* WHICH SHOULD NOT BE DELEGATED TO ANY SINGLE OFFICER." (Twenty Years in Congress," by Blaine, p. 331.)

(4) SPECULATORS NOT CONNECTED WITH THE BANKING INTERESTS HAVE POWER TO CONTROL.

When there is a stringent money market in New York, those who are trying to force down the prices of stocks have found it profitable not only to sell stocks, *but also to go into the money market and purchase the money offered "on call," thus locking it up.* This has frequently been done; and as it is difficult for other speculators to know when it is being done, the system has proven to be a remunerative one when handled with judgment.

In Germany, France, Austria, Japan, *or Russia it is impossible for speculators* to corner money, *for in each country the laws are such that government officials must put forth enough to meet the demand,* and thus prevent a high rate of interest on money. As the result of this system, the bank rate in Europe seldom fluctuates more than from ½ to 2 per cent, while in the United States it runs from ½ to as high as 1,000 per cent. The effect on prices of these wide changes in the interest rate is tremendous. The difference between the bank rates is shown in a striking manner by placing them on a chart; see page 37, below.

(5) THE GREAT SPECULATIVE MONEY LOANERS AND TRUST MAGNATES OF NEW YORK CITY CONTROL INTEREST RATE ON MONEY EXCEPT AS INTERFERED WITH BY THE ABOVE MENTIONED POWERS.

(a) STATEMENT.
(b) INDIVIDUAL PROFIT THE CRITERION.
(c) ANALYSIS OF INDIVIDUAL PROFITS.
(d) ILLUSTRATIONS OF HOW THE CONTROLLING BANKS HAVE SECURED INDIVIDUAL PROFITS.
(e) CYCLES OF RISING AND FALLING PRICES ARE INEVITABLE WHEN THE CRITERION AS TO MONEY AND CREDIT IS INDIVIDUAL PROFIT.

(a) Statement.

In this country the laws are such that *the great speculative banks of New York are given the control of the interest rate on money,* except as interfered with by the President's discretionary control of the treasury money, or by foreign bankers, foreign governments, or "bear" speculators. Thus it is that the speculative bankers of New York City control the interest rate on money *and thereby control prices on the stock exchange and in the general markets.* In other words, the law is such that neither the Government nor the commercial classes can control the volume *of new currency: this leaves the volume of money stationary,* except as the banks themselves issue currency or withdraw it, or as the President puts the Treasury money in circulation or withdraws it, or as foreign bankers increase or diminish our volume of money. But not so in Europe: In Germany, Austria and Russia there are government officials *who control the volume of currency;* in France the control of the volume is by government officials combined with representatives of the commercial classes;

in England the volume of paper currency is stationary (except at four short periods when it was issued by the Bank of England to prevent panic for money), but there is a direct control of the bank rate by *representatives of the commercial classes.*

The system, then, in the United States is the direct opposite of that which prevails in Europe. Let us examine what use the bankers in the United States have made of their tremendous power over prices and legislation itself.

(b) Individual Profit the Determining Motive in Control of Volume of Paper Currency.

The criterion whereby business is conducted is individual profit. *And this is the motive of those who control the banks and through them the interest rate on money and thus control the* AVERAGE OF PRICES.

(c) Analysis of Individual Profits of Speculative Bankers.

Let us analyze the individual profits reaped in the United States by the speculative bankers. These include the great creditors.

(1) The profits from Legitimate Banking.

(2) Interest received through putting forth *the paper money* which the voters through their representatives furnish to the banks for loaning out at interest.

(3) The Higher Rate of Interest which they are able to secure on all their loans *owing to the destruction of capital through the disorganization of industry* WHICH FOLLOWS UPON THE HEELS OF FALLING PRICES. One reason that postal savings banks are fought is that they would tend to lower the interest rate through *the accumulation of wealth.*

(4) A source of profit to Creditors has been the net increase in the purchasing power of money. From 1873 to 1896 *it increased in purchasing power nearly* 100 *per cent;* in other words, the average prices of products were made to fall 50 per cent.

(5) The profits from Speculation in Stocks, bonds, produce and other property. This is an additional source of profit to those who control the average of prices.

(6) Still another source of profit is from the Control of Legislation. This includes the keeping of the special privileges already secured and the obtaining of further special privileges.

Proof of these assertions is conclusive. The following is a portion of it:

(d) Illustrations of How the Controlling Banks in the United States Have Secured Individual Profits Under Existing Laws.

(a1) LEGISLATION SECURED THROUGH PANICS AND THREATS OF PANICS.

(b1) HIGH RATES OF INTEREST AND PROFITS FROM SPECULATION IN STOCKS.

(c1) POWER OF THE STANDARD OIL MONEY TRUST.

(d1) THE NATIONAL BANKING TRUST.

(e1) FURTHER ILLUSTRATIONS OF THE BENEFITS CONFERRED ON THE SPECULATIVE BANKERS.

(a2) *Interest on the Paper Currency that is Issued.*

(b2) *Statement of Amount of Paper Currency that Private Corporations may Issue.*

(c2) *The Principal Benefit to Speculative Bankers is the Control of Bank Rate and Price Level.*

(d2) *Republican Party favored the Use of Greenbacks till 1898.*

(a1) LEGISLATION SECURED THROUGH PANICS AND THREATS OF PANIC.

National Bankers' Panic of 1881.

Early in 1881 a bill detrimental to the interests of national banks had been passed the House, was concurred in by the Senate with unimportant amendments and sent back to the House. Then there occurred *a concerted withdrawal of credits by the national banks.* They

withdrew not only credits *but also* $18,000,000 *of money from circulation and deposited it with the treasury.* Commenting upon this fact, Secretary of the Treasury Windom in his annual report recommended that the national banks be prohibited from withdrawing their circulation, except after giving timely notice. President Arthur in his annual message concurred in the recommendations, saying: "Such legislation *would seem to be justified by the recent action of certain banks* on the occasion referred to in the Secretary's report."

National Bankers' Panic of 1832-34.

PROFESSOR SUMNER'S DESCRIPTION.

Professor Sumner, of Yale, in his "History of the American Currency," says: "In 1832 the national bank petitioned for a renewal of its charter, which was to expire in 1836. * * * The bill passed both houses, and was vetoed by the President on the 10th of July. It being now evident that the bank must expire unless some influence could be brought to bear to change the President or win two-thirds of Congress, A VIOLENT WARFARE WAS BEGUN BY THE BANK. The power of its interest at the same time is attested by any amount of evidence. * * * It is certain that the banks paid no more heed to the laws of the state than they did to the laws of prudence or of banking science, and that *they paid very little heed to either.*"

During 1832 "the motion to sell out the public shares was *lost*, 102 to 91, THROUGH THE INFLUENCE OF THE BANK, which, as they afterward discovered, had a large number of debtors, attorneys and stockholders in the House. * * *

"After Congress adjourned, September 22, 1833, President Jackson ordered Mr. Duane, the Secretary of the Treasury, to remove the public deposits from the United States Bank. He refused to do so, and was displaced by Mr. Taney, who did it.

"THE WAR WAS NOW IN FULL BLAST. The bank had circulated documents during the canvass of the previous year, showing its services and merits. Against this proceeding I see no valid objection. The documents were 'political' because the question of the bank's existence had become political. It was justified in defending itself. But in August, 1833, it altered its policy. *It rapidly contracted its loans*, giving as a reason the necessity of providing for the transfer of the deposits, A REASON WHICH THE FACTS DID NOT WARRANT.

"On the assembling of Congress, December, 1833, the message announced the step taken, giving as grounds the misconduct of the bank *in attempting to control the election*, and the unsoundness of the institution. The President also charged the bank with now creating *an artificial stringency in order to make itself appear necessary to the community.* * * *

"The recharter of the bank being now definitely refused (winter of 1833-34), a number of small banks were organized to take its place. But before they could get into operation the contraction of the bank had time to operate upon the market. Many deputations came up to Congress to complain of distress, and many memorials were sent up. The excitement was great throughout the country. It was asserted, however, on the other side, that ALL THIS DISTRESS WAS MANUFACTURED BY THE BANK ITSELF, IN ORDER TO GAIN A RECHARTER, AND THAT LOANS WERE REFUSED TO SOME AND GRANTED FREELY TO OTHERS, WHO USED THEM TO CHARGE USURIOUS RATES. Benton asserts that two cases were discovered, one in which a broker received $1,100,000 to use in this way, for which he charged 2½ per cent per month."

The foregoing are the statements of Prof. Sumner of Yale, one of the most prominent advocates of bank money.

JACKSON ON NATIONAL BANKS.

Following the above occurrences, President Jackson in his annual message to Congress said: "Circumstances make it my duty to call the attention of Congress to the Bank of the United States. Created for the convenience of the Government, THAT INSTITUTION HAS BECOME THE SCOURGE OF THE PEOPLE. Its interference to *postpone the payment of a portion of the national debt*, that it might retain the public money appropriated for that purpose to strengthen it in a political contest, the *extraordinary extension and contraction of its accommodations* to the community, its corrupt and partisan loans, its exclusion of the public directors from a knowledge of its most important proceedings, the unlimited authority conferred on the President *to expend its funds in hiring writers* and procuring the execution of printing and the use made of that authority, the retention of the pension money and books after the selection of new agents, have through various channels been laid before the Congress. THEY WERE SUBSTANTIALLY A CONFESSION THAT ALL THE REAL DISTRESSES WHICH INDIVIDUALS AND THE COUNTRY HAD ENDURED FOR THE PRECEDING SIX OR EIGHT MONTHS HAVE BEEN NEEDLESSLY PRODUCED

BY IT WITH A VIEW OF AFFECTING, THROUGH THE SUFFERINGS OF THE PEOPLE, THE LEGISLATIVE ACTION OF CONGRESS."

Again he declares in the same message:

PRESIDENT JACKSON'S PROPHECY.

"Events have satisfied my mind, and I think the minds of the American people, that the mischief and dangers which flow from a national bank far overbalance all its advantages. The bold effort the present bank has made to control the government, the distress it has wantonly produced, the violence of which it has been the occasion in one of our cities famed for its observance of law and order, ARE BUT PREMONITIONS OF THE FATE THAT AWAITS THE AMERICAN PEOPLE SHOULD THEY BE DELUDED INTO A PERPETUATION OF THIS INSTITUTION, OR OF THE ESTABLISHMENT OF ANOTHER LIKE IT. It is fervently hoped that thus admonished, those who have heretofore favored the establishment of a substitute for the present bank will be induced to abandon it, as it is evidently *better to incur any inconvenience that may be reasonably expected than to* CONCENTRATE THE WHOLE MONEY POWER OF THE REPUBLIC in any form whatsoever OR UNDER ANY RESTRICTIONS."

Defeat of the Restoration of Silver, 1878.

Late in 1877 the House, by a two-thirds vote, suspended the rules and passed a free-coinage bill. Early in the following year, while this proposed law was before the Senate, the following boast was made in the New York *Tribune* of January 11:

"The machinery is now furnished by which *in any emergency the financial corporations of the East can act together at a single day's notice and with such power that* NO ACT OF CONGRESS CAN OVERCOME OR RESIST THEIR DECISION."

The result of this bankers' combination was that in the Senate the question of *the free coinage of silver* WAS NOT EVEN VOTED UPON, but a bill was passed, perpetuating the gold standard of falling prices. When it was sent over to the House, *it was considered but one hour and then passed.* Thus was a return to the bimetallic standard of prices defeated. Jackson's caution against giving over to banks the control of average prices had not been observed—this power had been delegated to a system of national banks.

The Principle Involved.

The foregoing details are sufficient to show the method whereby individuals have so manipulated the supply of money and credit as to control legislation. They would have been powerless had the volume of paper currency been elastic and controlled for the purpose of maintaining a stable money market and stable price level. In the principal countries of Europe the bankers have for more than fifty years been kept from controlling the interest rate on money, and therefore have been kept from controlling prices and legislation; furthermore, this has resulted in a much more stable interest rate and price level. Proof of this is as follows:

(b1) HIGH RATES OF INTEREST AND PROFITS FROM SPECULATION IN STOCKS.

(a2) Description of the System.

On the opposite page is a comparison between the interest rate on "call" money in New York City under a system wherein the great speculative bankers control the rate, and in London, where the speculators cannot control it. The difference is that *in London the rate on this "call" money is almost stable, while in New York it is like chain lightning,* AND EVERY TIME IT GOES UP OR DOWN THE MEN IN CONTROL OF THE INTEREST RATE ON MONEY KNOW OF THE CHANGE A LITTLE IN ADVANCE OF THE GREAT BODY OF SPECULATORS AND THEREFORE "FLEECE" THEM. THEY ALSO SECURE HIGHER RATES OF INTEREST THAN THOUGH THE RATE WERE KEPT STABLE.

(b2) Illustrations: Operation of the Standard Oil Money Trust.

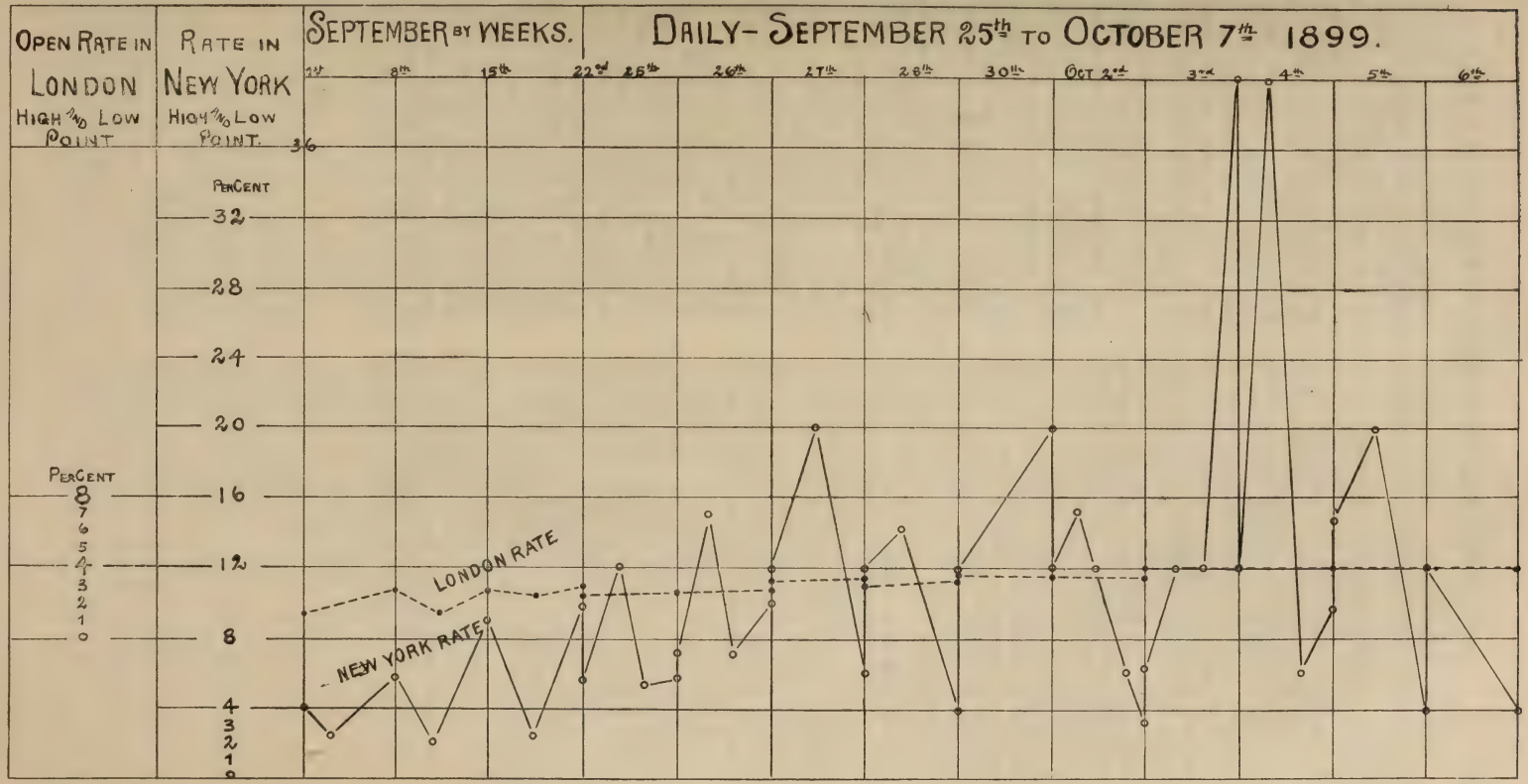
The National City Bank of New York, President's Office.

NEW YORK, April 8, 1899.

MY DEAR MR. SECRETARY: As you have doubtless noticed in the press, the money market there has been quite unsettled during the latter part of the week. We have loaned very liberally in order to allay apprehension, but *at such rates* as would TEND TO FORCE A LIQUIDATION in highly speculative securities. I think THIS HAS BEEN AC-

Interest Rates on "Call" Money: Comparison of High and Low Point in London with same in New-York.

In the latter The Speculative Bankers control the Bank Rate, while in London this class is excluded from the Institution which controls the Bank Rate - The Bank of England.



COMPLISHED, and the declines which have taken place will have a wholesome check.

This uneasy feeling, however, will probably not subside for some few days yet, and as there are several large payments to be made next week, notably some $8,000,000 on Monday, the 10th, on the Chicago & Alton business, I think it would tend to help matters if you can see your way to deferring the payments which we are to make on account of Central Pacific moneys for one week each. I trust this will meet with your approval and that you will advise me either tomorrow or on Monday morning by wire of your decision in the matter.

I inclose the weekly statement of the associated banks of this city. Our own position tonight are CALL LOANS ON WALL STREET OF $55,101,000 AND CASH IN OUR VAULTS, $31,609,000.

I am, yours very truly,

JAS. STILLMAN.

Hon. Lyman J. Gage,
Washington, D. C.

Commenting upon the emphasized portions of the above letter, the New York *World* of last January says:

The above remarkable admission made by President James Stillman, of the National City Bank, in a letter to Secretary Gage, under date of April 8, 1899, caused a sensation yesterday in Wall Street. It confirmed the charge made by the *World* on December 21 last that the National City Bank had manipulated the money market to cause liquidation and depreciate the value of the Flower-Brady stocks and thereby bring about the panic of December 18, 1899.

Wall street men recalled that the letter was written on the morning after the great industrial panic of April 7, 1899, which was the beginning of the attack on the Flower-Brady-Whitney stocks, resulting two weeks ago in the capitulation of the Brady syndicate.

Blue Friday, April 7, 1899, was one of the darkest days through which Wall street ever passed. On the Monday preceding the speculative apex had been reached for many of the stocks. Brooklyn Rapid Transit that day sold at 136, or within one point of the highest point ever recorded for it. American Tobacco sold at 225, Federal Steel at 74½, Metropolitan at 266, People's Gas at 128½.

On the following day Brooklyn Rapid Transit, as a result of the action of the National City Bank, had dropped 18¾ points, Federal Steel 11¼ points, Metropolitan 19¼ points, People's Gas 7¼ points, and Rock Island 2½ points. Securities had shrunk many millions of dollars as a result of the money loaned by the National City Bank, *"at such rates as would tend to force liquidation in highly speculative securities."*

The attack on stock values was continued during the entire summer until securities declined many millions of dollars and the stocks of the Brady syndicate had shown A TOTAL SHRINKAGE OF $138,394,935.

Through the kindness of Secretary Gage the National City Bank was enabled to finance the payment of the indemnity of $20,000,000 to Spain. Through the aid of the Standard Oil Company, the largest dealer in exchange in the world, it manipulated the foreign exchange market to such an extent that the Spanish lost the profit which should have come to them from the state of the exchange market at the time of the signing of the treaty of peace, and the National City Bank not only made $300,000, but was enabled to hold exchange at such a rate as to prevent a movement of gold from foreign countries to the United States, although a great balance of trade prevailed at the time in favor of the United States.

(c1) Power of Standard Oil Money Trust.

(a2) Control of a Vast Volume of Money and Credit.

(b2) Is Interwoven with the Great Trusts.

(c2) Panics Forced and Competing Organizations Purchased at Panic Prices.

(d2) Was a Controlling Element in Mc Kinley's Election in 1896, and in His Administration.

(a2) REMARKABLE VOLUME OF MONEY AND CREDIT.

In the preceding section the tremendous amount of money and credit loaned by the National City Bank is set forth over the signature of its president. This bank is controlled by the men in the Standard Oil Company, and they control other of the great banks of New York City. The extent of their holdings up to August, 1900, are thus stated in the news columns of the Chicago *Tribune:*

New York, Aug. 5, 1900.—The Standard Oil Company is rapidly developing its hold upon the financial institutions of the country, as well as upon the public funds of the United States. The great National City Bank, which is the home of the money of the Standard Oil Company, is gradually increasing its strength by the purchase of the control of other New York banks.

The capitalists behind this bank now practically control the Hanover National, the Second National, the Bank of the Metropolis and the National Park Bank, and have within the last ten days obtained control of the Lincoln National Bank, one of the strongest of the uptown institutions. *Within the last year the Standard Oil crowd has obtained control of the First National Bank of Chicago,* of which Lyman J. Gage, secretary of the treasury, was formerly president [and who doubtless still owns stock in the bank].

In addition to the banks, the Standard Oil Company now controls three of the most important trust companies in the City of New York, namely: the United States Trust Company, the Farmers' Loan and Trust Company, and the Central Trust Company.

The total capital stock of this group of financial institutions controlled by the Standard Oil Company is $22,900,000, while their surplus is $44,023,724, and THEIR LOANS AGGREGATE $342,775,200.

One of the startling features of the power and influence of this group of banks and trust companies owned by the Rockefellers is the fact that THEIR DEPOSITS FORM ABOUT ONE-FIFTH OF THE ENTIRE AMOUNT OF MONEY IN CIRCULATION IN THE UNITED STATES. They had in their vaults on Saturday the enormous sum of $432,092,200; of these deposits $21,640,100 were United States treasury funds.

(b2) IS INTERWOVEN WITH THE GREAT TRUSTS.

The above organization of banks, whose deposits equal about one-fifth of the entire amount of money in circulation in the United States, is interwoven with all the great trusts in production and trade. The subject has been carefully examined by Prof. John R. Commons, of the Bureau of Economic Research of New York City. He has traced a connection between the directors of the Standard Oil Company and other great trusts. He finds that one director is a director in the several railroads in which the clique are interested, while another director is a member of the board of each of the several banks and trust companies; while another specializes in the industrial corporations. Thus they co-operate, and so great is their power that they are eagerly sought after by those who are forming trusts and other large combinations of capital. *It follows that the power of the Standard Oil Money Trust is not measured*

by the capitalization of the banks which are directly controlled, FOR ALL THE GREAT CORPORATIONS AND TRUSTS IN WHICH THEY ARE INTERESTED WILL, WHENEVER A PINCH COMES, TURN IN AND WORK TOGETHER. Last year they did this. Examples are as follows:

(c2) PANICS FORCED AND COMPETING ORGANIZATIONS PURCHASED AT PANIC PRICES. AN IMPORTANT METHOD OF TRUST FORMATION.

We have undisputed evidence that last year *the Standard Oil crowd raided the stock markets by means of its control of the money market.* Over the signature of the president of the Standard Oil Bank it is stated that high interest rates had been charged, and thus prices had been forced down. (Letter quoted at page 38, above.) A description of what occurred at the date referred to in the letter of the Standard Oil magnate is also set forth on the foregoing page with the letter. *It shows how an opposing syndicate was forced to capitulate.* A few months later—that is, in the autumn of last year, the Standard Oil crowd again raided the market through its money trust and *secured the copper stocks at about half their value. It has also made war upon the gas and electric light stocks and has secured large amounts of them at less than their value.* Their control of petroleum is an additional means whereby they have gained control of the gas companies.

In addition to the Money Trust of the Standard Oil Monopoly, with its control of prices and the wiping out of industrial corporations, is the further fact that it was a leading element in McKinley's election four years ago, and since then has been a leading element in his administration.

(d2) STANDARD OIL TRUST, A CONTROLLING ELEMENT IN McKINLEY'S ELECTION IN 1896 AND IN HIS ADMINISTRATION.--DISCLOSURE THROUGH SENATE INVESTIGATION.

December 18 of last year the President, acting through his Secretary of the Treasury, announced that he would place a large volume of money in Wall street. A panic for money threatened and the President stated that "the incoming receipts from internal revenue, estimated at *about* $1,000,000 *a day, will be distributed among depository banks.* The large balance in the Treasury will enable the Government to deposit *a total of* $30,000,000 *or* $40,000,000, *should so much be applied for.*"

Before noon of the following day the National City Bank deposited $5,000,000 in funds and received that amount of Government funds. *The combined deposit of all the other banks in the country was but a little more than one-fourth the amount deposited by the National City Bank. And on the morning of this same day the Treasury Department announced that* ALL *the internal revenue receipts, amounting, as above stated, to about* $1,000,000 *a day,* SHOULD BE PAID INTO THE NATIONAL CITY BANK OF NEW YORK—the Standard Oil Bank.

This raised a storm of protest and led to an investigation by the Senate. The investigation disclosed the following instructions to the National City Bank from the Treasury Department: "This concentration [of funds in your institution] is for distribution of funds to all banks which accept the offer of the Department. * * * *At present* the Department can leave with your bank only a fair pro rata share of the funds transferred to you."

The resolution of investigation called for the correspondence with the National City Bank. Among the copies of letters furnished the Senate were two very important ones, namely:

Political Claims.

NEW YORK, June 5, 1897.

MY DEAR MR. GAGE: The National City Bank, of this city, of which I recently became the vice-president,

through the consolidation of the business of the Third National Bank with it, is one of the banks designated as a United States depository, and *I write to request that* in any changes which may be made under the Administration *we may not be disturbed in this respect.*

We should like tc remain a United States depository, as at present.

Of course, the bank is very strong, and if you will *take the pains to look at our list of directors* you will see that *we also have* VERY GREAT POLITICAL CLAIMS, IN VIEW OF WHAT WAS DONE DURING THE CANVASS LAST YEAR. Very truly yours,

A. B. HEPBURN,
Vice-President.

The other letter is quoted at page 36, above.

PAYMENT OF POLITICAL CLAIMS.

The foregoing statement by the National City Bank that *its directors helped to elect McKinley* IS CONCLUSIVE PROOF. The statement is signed by the vice-president of the bank. *And this bank has been demanding payment for this service.* In the words of Mr. Hepburn, "We also have very great political claims in view of what was done during the canvass last year."

AND THE ADMINISTRATION HAS BEEN PAYING THESE CLAIMS. For example, it not only placed the Standard Oil Bank at the head of all other banks by compelling the latter to pay to it the internal revenue receipts, but *it has given the National City Bank the use of millions upon millions of Government funds* WITHOUT INTEREST. Furthermore, the Custom House site in New York City was sold to it, and the matter was so arranged that *the Government paid rental, while the larger part of the purchase price remained unpaid and* NO INTEREST WAS CHARGED UPON IT. This was brought to light by the Senate investigation.

But the foregoing favors to the members of the Standard Oil Trust bring them mere "pin money" *compared with the amounts obtained by the continuation of the system whereby the volume of paper currency is* NOT CONTROLLED BY THE GOVERNMENT, THUS LEAVING THE CONTROL OF THE MONEY MARKET AND OF THE PRICE LEVEL, IN THE HANDS OF THE STANDARD OIL MONEY TRUST. Had the Administration placed in its currency law of last spring a provision similar to that which is in force in each of the European countries, IT WOULD HAVE DEPRIVED THE STANDARD OIL TRUST OF ITS CONTROL OF PRICES AND BUSINESS. The reform parties are pledged to secure this great reform. It is one of the most important means of breaking the power of trusts.

(d1) The National Banking Trust.

(a2) THE ORGANIZATION.

In addition to the Money Trust described above, THERE IS AN ORGANIZATION OF ALL THE BANKERS OF THE COUNTRY AND THEY OPERATE THROUGH AN EXECUTIVE COMMITTEE. This organization forced the panic of 1893 and kept it up until it secured the repeal of the law that was adding to the volume of money —the silver purchase law. These facts the writer set forth at length in the pamphlet entitled "A Trust of Trusts" in the campaign two years ago. Some of the details are herewith reproduced:

In the early '70s the American Bankers' Association was organized. The result of the combination was a promotion of bankers' interests and the organization grew. "Since 1884," said the president of this association in his annual address in 1895, "numerous state associations have been formed, until now there are thirty of them, with a total numerical strength of nearly 3,700 members." There are also sub-organizations termed "groups." The anarchists of Chicago were so minutely organized that they, too, had "groups," and in "Caesar's Column" there are also "groups."

(b2) MOTIVE AND PAST HISTORY

The president of the association in the annual address above mentioned said:

"Growing out of the agitation begun in the conventions of the association has followed the abolition of days of grace in many states, twelve having already adopted the reform (?).

"There can be no necessity for a revision of our declaration of principles, but the growth and development of our common country and the concurrent growth of the banking business have created a necessity for smaller local organizations, and since 1884 numerous state associations have been formed, until now there are thirty of them, with a total numerical strength of nearly 3,700 members. THESE ASSOCIATIONS ARE CAPABLE OF AND DO EXERT A POWERFUL INFLUENCE IN THE LOCALITIES IN WHICH THEY EXIST.

"We cannot hope to change our political system, but we can and should utilize all the agencies at our command TO INCREASE OUR OWN WELFARE and usefulness. * * * WE ARE ORGANIZED FOR MUTUAL BENEFIT. * * * This cannot be successfully accomplished by a national organization EXCEPT THROUGH AUXILIARY BODIES CLOSELY IN TOUCH WITH LOCAL LEGISLATURES. It is probable that measures initiated by this body which require changes in the laws of the various states would be much more likely to come to fruition if committed to the state association than if undertaken by the association itself. Already these associations are doing splendid work and achieving excellent results, WHICH COULD BE GREATLY EXTENDED by affiliating them more closely with this organization.

"It was entirely through the efforts of the Bankers' Association of the State of Illinois that two important reforms (?) in the laws of that state were accomplished last winter, the effect of one of which at least will be appreciated by every BANKER who has any business in that state. And there is work enough to do. It is conceded by every intelligent man that usury laws on the statute books of nearly every state are relics of barbarism and that the community would be greatly benefited (?) were they abolished. (?) * * * The remedy for these conditions is to be found through proper legislation [by 'proper legislation' as here used is meant that legislation which benefits the banker], AND PROPER LEGISLATION CAN BE HAD if it is sought for with courage and persistence."

Here it was confessed in 1855 that the bankers of the United States are organized into thirty different bodies, besides the national and city organizations, and that they are "organized for mutual benefit," i. e., "to increase our own welfare and usefulness." This, the president said, "cannot be successfully accomplished except through bodies closely in touch with local legislatures," and for the securing of national laws, a close touch with the national legislature. In twelve states the days of grace on promissory notes have been abolished through the efforts of the bankers. What do our people think of this? And the bankers here tell us that they are working diligently for the repeal of the usury laws. What do our people say to this? But this is "small game" to what is well along toward completion. Do you think there is any truth in the statement made by Thomas Jefferson that "the banking institutions are more dangerous to our liberties than standing armies"?

Comparative Strength of Bankers, 1878, 1895 and 1898.

A comparison of the strength of the banking interests was set forth by the president of the New York State Bankers' Association in an address to the Bankers' Club of Chicago, April 27th, 1895. The subject was "Bankers and Legislation." Mr. Cornwell said:

"If in 1875-6-7 and 8, the bankers and the sound money men had been organized, as they are organized now, and had spoken out as they are speaking out now; had started out on a campaign of education as they are starting out now, THE GREENBACK WOULD LONG AGO HAVE BEEN WIPED OUT."

Since the above was uttered, and since the foregoing address by the president of the American Bankers' Association was put forth, the work of the association has been greatly extended. *The Bankers' Magazine* in its August number, 1898, in announcing the annual meeting of the bankers, said:

"The work of the association HAS BEEN GREATLY EXTENDED during the past three or four years, SINCE THE ADOPTION OF A MORE AGGRESSIVE POLICY IN ADVANCING THE INTERESTS OF THE BANKING COMMUNITY. * * * The day will not be far distant when there will be very few banking institutions in the United States which will not recognize the im-

portance of belonging to the association. Its power to benefit the banking community will increase with the positive and aggressive policy it is now pursuing. Through experience of the benefits of co-operation the bankers will lose that fear of exciting political attention that for many years made it a prevailing sentiment in the conventions to refrain from making the most necessary demands on Congress."

An Aggressive Policy.

This aggressive policy was advocated by the president of the New York State Bankers' Association in a speech before the Bankers' Club of Chicago, April 27, 1895. He said:

"What ought bankers to do about legislation?

"This, it seems to me, is the most important thing for us tonight, or for any body of bankers in this country to consider at once. * * *

"It is time to tear off disguise. International bimetallism is a traitor in the camp. It is a false fraud. * * * The fight is on; this is war for education and all disguise should be thrown off. * * * It is time for aggressive action.

"The banker has a large influence. He is a confidential adviser of thousands and thousands of business men. The laboring element comes closely in contact with these business men." Mr. Cornwell then declares what would be the result, namely, "a new sentiment would blaze from one end of the land to the other, a sentiment which, once established, would mean quick legislation in the right direction and a satisfactory settlement of the currency question in the United States for all time." And in conclusion he declared: "The politician, high or low, who today turns from the straight course of sound money (bank money) and the gold standard, stabs dead once for all his every chance for political success, especially if he wants to be president."

I now turn and point out the method whereby the bankers "act as one man" when they consider that their personal interests require such action:

BANKERS ACT THROUGH AN EXECUTIVE COUNCIL.

The following is a copy of a circular letter sent out by the American Bankers' Association, and it appears in the *Congressional Record* of May 27, 1896. Senator Butler of North Carolina had it read by the Clerk of the Senate and thus preserved it in the national archives:

"*The American Bankers' Association,*
"*2 Wall Street and 90-94 Broadway.*
"NEW YORK, March 23, 1896.

"*To the Bankers of the United States:*

"At a meeting of the executive council of the American Bankers' Association, held in this city on March 11, 1896, the following declaration was made by unanimous vote:

" 'The executive council of the American Bankers' Association declare unequivocally in favor of the maintenance of the existing gold standard of value (prices) and recommend to all bankers and to the customers of all banks the exercise of all of their influence as citizens in their various states to select delegates to the political conventions of both the great parties who will declare unequivocally in favor of the maintenance of the existing gold standard of value (prices.'

" 'Your influence is earnestly requested to give practical effect to this action.

"EUGENE H. PULLEN, President.
"JAMES R. BRANCH, Secretary.
"JOSEPH C. HENDRIX,
"Chairman Executive Council."

This circular letter, in addition to showing the method whereby the bankers' trust operates, proves also that the bankers use their organization IN AN ENDEAVOR TO CONTROL BOTH OF THE LEADING POLITICAL PARTIES. In short, the combined moneyed interests are organized for political work. How long can this organization be allowed to grow and the Republic stand?

The foregoing was written two years ago, and now the issue in the campaign is, Shall the Republic stand, or shall it be overthrown and an Empire take its place?

(e1) Further Illustration of the Benefits Conferred Upon the Speculative Bankers.

(a2) INTEREST ON PAPER CURRENCY THAT IS ISSUED.

The private corporations known as national banks have more than $300,000,000 of paper currency in circulation. *They draw interest on this, whereas were it issued by the Government direct instead of through these private corporations the Government would retire a like amount of interest-bearing bonds.* THE INTEREST SAVED WOULD AMOUNT TO ABOUT $6,000,000 PER ANNUM. The national banks, though, do not receive this amount in excess of what they would make should the Government issue the paper currency. This is proved by the fact that many of the national banks do not exercise the right to issue paper currency. The principal reason why the great speculative banks want the paper currency issued through private banks instead of by the Government *is to keep from the Government the control of the supply of money*, and thereby keep from it the control of the interest rate and price level.

(b2) AMOUNT OF PAPER CURRENCY THAT PRIVATE CORPORATIONS MAY ISSUE.

Under the Currency Law as it stood before it was amended last March, the private corporations known as national banks were authorized to issue about $540,000,000 of paper currency, but they had in circulation only about $200,000,000. *Thus they did not issue half the amount they were authorized to put in circulation.* This was because it was not profitable for them to do so. In other words, many of the banks found it more profitable to loan capital direct to customers than to buy bonds of the United States at a high premium and a low rate of interest, deposit them with the Government, and receive paper currency to loan customers. In this way they would receive interest on the United States bonds and interest from the customers—that is, double interest; but it did not pay, because of the premium on the United States bonds and the further fact that the paper currency received from the Government amounted to only 90 per cent of the face value of the bonds deposited. This premium was cut down by the Currency Law of last March. It was accomplished by refunding the bonds at a lower rate of interest, the aim being to make the interest rate *so low that the bonds would sell at about their face value;* and the law was further changed by permitting the banks *to issue paper currency to the full face value of the bonds deposited.* In other words, BY DEPOSITING $100,000 OF INTEREST-BEARING BONDS THEY NOW RECEIVE FROM THE GOVERNMENT $100,000 IN PAPER CURRENCY, and this they loan to their customers, AND AT THE SAME TIME DRAW INTEREST ON THE GOVERNMENT BONDS DEPOSITED. Since this change in the law has been accomplished the banks have increased their currency circulation by about $100,000,000. *This is a 50 per cent increase in the amount of their paper currency.* BUT THEY ARE AUTHORIZED TO ISSUE MORE THAN TWICE THE TOTAL AMOUNT THEY NOW HAVE IN CIRCULATION. They have not put it out simply because *it does not* YET *yield them a sufficient profit.* The price level, however, is falling, and therefore the country needs more money, yet the private corporations do not put it into circulation because it is not profitable *to them.* The reform parties demand that this system shall be replaced with one in which the volume of the paper currency shall be determined *not by profitableness to the pri-*

vate corporations known as banks, but by the needs of business; this means a volume of money that is just sufficient to maintain a stable interest rate on money, and thereby keep the price level stable.

(c2) THE PRINCIPAL BENEFIT TO SPECULATIVE BANKERS IS THE CONTROL OF THE INTEREST RATE ON MONEY.

From the foregoing it is clear that what the speculative bankers prize is their control of the interest rate on money and the control of the price level. The Currency Law of last March leaves the Wall Street bankers in full control. The hands of Government officials are tied except as the President chooses to interfere, and that is entirely discretionary with him.

The bankers have been and are trying *to insure a continuance of that control,* and therefore are very anxious to destroy all the paper currency that the Government has issued direct. The greenbacks were issued during the civil war and ever since that time the bankers have been trying to force their withdrawal. The Currency Law of last March sounds the death knell of the greenbacks if the present administration is continued. This law provides that all the Government notes provided for by the law of 1893 and issued for silver shall be retired, and that the greenbacks of the civil war *shall be impounded in the Treasury until exchanged for gold.* This change of front by the Republican party will cause it to lose thousands upon thousands of votes. *Until two years ago the party which created the greenback stood by it and was adverse to an increase in the bankers' power over the currency and over prices.* The evidence is as follows:

(d2) THE REPUBLICAN PARTY STOOD FOR GREENBACKS TILL 1898.

Chicago Tribune.

The ISSUANCE OF MONEY, whether coined or printed, IS A FUNCTION OF GOVERNMENT. It should not be intrusted to private corporations.—(Editorial Nov. 5, 1897.)

It was not the intention of the framers of the Constitution that banks should be allowed to COIN PAPER MONEY FOR THE PEOPLE.—(Editorial Nov. 18, 1897.)

To intrust the supplying of the currency by the banks IS DOUBLY DANGEROUS: they are hampered at a time *when their customers need all of the aid that can be given,* and when there is an unexpected demand for tens of millions of gold *they will be unable to meet it.* They will not be able to sell gold bonds as the Government can. — (Editorial Nov. 9, 1897.)

For their own good and that of the country, banks should keep out of the note-issuing business. They have 2,000 millions of deposits to take care of. That ought to give them abundant employment. Why do they wish to assume a greater responsibility?—(Editorial Nov. 28, 1897.)

There is a sentiment in favor of the withdrawal of the greenbacks *among Eastern Republicans, but* THOSE OF THE WEST ARE ALMOST SOLIDLY AGAINST IT. That is unquestionably the case. * * * Currency "reformers" whose plans contemplate the cancellation of the greenbacks will find that *they are preparing to run up against a stone wall."*—(Editorial Nov. 28, 1897.)

The REPUBLICANS OF MICHIGAN, ILLINOIS AND IOWA ARE ALMOST UNANIMOUSLY against the withdrawal from circulation of the government paper money. * * * The amateur currency reformers * * * will find out before long that *their policy is not and will not be the policy of Congress. The latter will never favor the retirement of the greenbacks.*—(Editorial Dec. 11, 1897.)

The Secretary, Mr. Gage, is PREACHING TO DEAF EARS WHEN HE PREACHES AGAINST THE GREENBACKS. The people do not believe they are a source of danger. They do not wish to see them funded, *and be taxed to pay interest on bonds which will have to be sold to retire those notes.*—(Feb. 14, 1898.)

COST OF GREENBACKS.

January 12, 1898, there was an editorial in the *Tribune* headed: "Redeem-

ing Greenbacks in Gold COSTS THE GOVERNMENT NOTHING." This it proves by showing that the funds received from the bonds sold to replenish the gold reserve were used as follows: "One hundred and eighty-six millions in stopping the deficit gap in the revenues —the current income being that much less than the necessary expenditures of the government, and the balance was on hand at the end of Cleveland's term."

The New York Sun.

In an editorial November 27 of last year, the Chicago *Tribune* said:

The New York *Sun*, THE STRONGEST AND MOST INFLUENTIAL REPUBLICAN PAPER in Greater New York, defines its position on the currency question with great clearness and in a fashion which will SUIT THE REPUBLICANS OF THE WEST. It begins by stating that "the fundamental issue" is:

"Shall the paper money of the nation be issued exclusively by the banks, or shall it be issued exclusively by the Government? At present both agencies are in operation, and *each one is struggling for supremacy over the other.*"

ONE OF THE RIVALS MUST SURRENDER TO THE OTHER AND LEAVE IN ITS EXCLUSIVE POSSESSION the function of supplying what paper money the people need. To whose hands can that function be most safely intrusted? After quoting Secretary Gage's remark about "the national Treasury performing an office entirely foreign to its proper function," the *Sun* observes:

"In the same spirit, the mugwump New York *Times*, Friday morning, editorially denounced the issuing of currency by the Government exclusively as a scheme of inflation destined to bankrupt the nation, because under it the currency WOULD BE CONTROLLED BY CONGRESS, and not put in charge of the banks. The *Times*, however, omits to mention that FOUR TIMES WITHIN TWELVE YEARS—namely: in 1884, 1890, 1893, and 1895—THE BANKS of this city DEFAULTED ON THEIR OBLIGATIONS TO THEIR DEPOSITORS, and that these depositors, in order to get currency with which to carry on their business, HAD TO SELL THEIR CHECKS TO WALL STREET BROKERS AT A CONSIDERABLE DISCOUNT. To vest in SUCH WEAK INSTITUTIONS, and in less responsible banks of the rural districts, THE EXCLUSIVE FUNCTION OF ISSUING PAPER MONEY IS AN ACT OF FOLLY WHICH OUR PEOPLE WILL NEVER COMMIT."

The foregoing utterances were put forth before the opening of the war with Spain. Since then the scheme was hatched to capture a Congress which would retire the greenbacks and give full sway to the great bankers. IT WAS NECESSARY that the great dailies of the Republican party at least SHOULD CEASE TO FIGHT THE SCHEME. AND THE PROMOTERS SUCCEEDED; not one Republican daily fought the scheme in the campaign of 1898, and the Congress then elected has passed the law of March 14, 1900, which gives the bankers the right to issue more paper currency, and provides that the greenbacks shall eventually be destroyed. Will the men who have stood by the greenbacks for thirty-five years stand this? Will the younger men stand it? Will they submit to the bankers' control?

In the foregoing pages we have set forth the evidence which shows many reasons why the speculative bankers should not control the volume of paper currency. An additional reason for taking from them the control of this currency is as follows:

(e) Cycles of Rising and Falling Prices Are Inevitable When the Criterion as to Volume of Money and Credit Is Individual Profit.

(a1) STATEMENT.

In the United States there is practically an inelastic volume of paper currency (for when it is once put out it is not retired when demand slackens), therefore, when there is a substantial increase in the volume of money it *starts prices to rising.* If the outlook is that the increase in the volume of money will continue for some time, *with rising prices there is a demand for money, and it therefore pays the bankers to expand their loans.* This expansion of credit makes prices go still higher. This continues *until such time as the bankers deem it prudent to* CONTRACT their loans. This contraction of loans is by the controlling banks. The contraction of credit causes prices to fall and then the banks find it difficult to get customers for their money and credit, and consequently there is a plethora of money—it piles up in the banks and prices continue to fall. This tendency to stagnation continues until through some war or other cause a considerable amount of money is put into circulation, or the price level reaches so low a point that people are convinced that a rise will come about. *Then the motive to purchase being present throughout the country,* THE RESULT IS RISING PRICES AGAIN, WITH ANOTHER INFLATION OF CREDIT, TO BE FOLLOWED BY ANOTHER COLLAPSE AND FALLING PRICES.

This periodical rise and fall of prices has been noted by all business men and economists. The cycle for the principal fluctuation has been about ten years, with innumerable smaller cycles within each period. During the past thirty years the fluctuations have been less violent, due principally to improvements in the European systems for controlling the volume of paper currency. This we have previously noted.

These cycles will be practically stopped whenever a great country with an immense volume of standard money, such as there is in the United States, shall enact a law declaring that thenceforth its volume of *paper currency* shall be such as to *offset the changes in the volume of bank credit and meet the changes in the demand for money in the autumn and at other times of the year.*

An example of what occurs under the present system—a system where the criterion is simply that of *individual profit to loaners of money,* is the history of recent years. From the first week in March to the first week in December, 1893, *the volume of bank credits in the United States decreased* 37½ *per cent, and* THERE WAS NO WAY PROVIDED WHEREBY THE CHANGE COULD BE OFFSET BY SUCH AN INCREASE IN THE VOLUME OF PAPER CURRENCY AS TO KEEP THE PRICE LEVEL AND STABLE. On the contrary, the volume of money in actual circulation *decreased.* Then, when credit expanded during the past three years, it *raised the price level,* for there was no withdrawal of money from the circulation. *On the contrary, the amount increased;* therefore prices soared upwards and speculation was rampant. The apex of the rise occurred in April, and since then there have been falling prices and a contraction of credit. (See chart at page —, above.) *This falling price level* WOULD HAVE BEEN PREVENTED *had our currency law provided for an elastic volume, with such an amount as should maintain a stable bank rate and thereby keep the price level stable.*

(b1) UNDUE ADVANTAGE OF BANKERS AT ALL TIMES.

Under the existing system the controlling banks are the large ones in New York City. The directors of these banks, shaping as they do the policies

of their respective institutions, know each change in the bank rate at least an hour or two *in advance of the business world*, and as each change in the bank rate results in an *immediate change in the price of stocks*, it follows that the directors of these controlling banks have at all times an undue advantage over those who are not on the "inside."

(c1) THE EVIL EFFECTS FROM CYCLES OF RISING AND FALLING PRICES.

But this advantage over other speculators is of no consequence as compared with the direful effects upon production and distribution which follow the fluctuations in the price level. "Falling prices," with the inevitable depression, is one of the most terrible scourges which the human race has endured. "Rising prices," while much better than falling prices, are not so good for society as a stable average, provided the fall in the price level has been partially restored, thereby stimulating industry and to some extent adjusting the equities between debtor and creditor and between those who have other forms of contracts extending over a series of years.

We have been considering the *inevitable* changes, where private individuals control the volume of paper currency. The controlling motive is individual profit, and it always has and always must result in cycles of rising and falling prices. Some of the *intentional* changes which the private bankers, speculators and creditors have brought about are above set forth under "Securing of Legislation Through Panic and Threats of Panic."

e. SUMMARY AND COMPARISON WITH POLICY PROPOSED BY REFORM PARTIES.

(1) Statement.

In the foregoing pages are described some of the manifold evils which have resulted from the monetary system in the United States, whereby the control of the interest rate on money and the control of the price level has been in the hands of the great speculative money loaners of New York City, except as interfered with by the President, foreign governments, or bankers, or by speculators not connected with the banking interests. All the evils which have resulted therefrom would have been prevented had Congress directed that the volume of paper currency should be controlled with the express object of maintaining a stable bank rate and a stable price level. Then there would have been an elastic supply of paper currency, under the control of those who would have been obliged to follow the rule of justice laid down by Congress, namely: that the interest rate on money should be kept practically stable, and a stable price level maintained. In the leading European countries, except England, the volume of paper currency has been controlled with the express object of maintaining as stable an interest rate on money as is consistent with the retention of a practically fixed volume of gold for war purposes. The United States, however, not being on a war footing, has not attempted to keep a fixed volume of gold, and therefore could have maintained a stable price level through a control of the paper currency; and a specie basis would have been maintained, as I shall show. The policy of the reform parties is to maintain such a stable money system, viz., Congress should declare that the supply of paper currency shall be such as to offset the changes in the supply of

credit, offset the changes in the supply of standard money, and offset the changes in the demand for money, and thus maintain a practically stable interest rate on money, with the resulting stable price level.

(2) Details of System for Maintaining "An Honest Dollar."

It is not necessary to go into details except to state that the issuing of the necessary amount of paper currency should be through the purchase of United States bonds; and when it is necessary to decrease the volume of paper currency it should be through the sale of some of the bonds previously purchased. In other words, the revenues of the Government and its expenditures will be kept separate from the bureau of issue and redemption.

Under this plan the Government would not put tens of millions of money on deposit with the banks *without interest while it is paying interest on its bonds.* In other words, when it would put money into circulation it would stop the interest on an equal amount of bonds. During the past year the administration has kept in the banks from $75,000,000 to $100,000,000 without receiving interest, and at the same time has paid interest on the bonds which it ought to have retired temporarily at least.

The method whereby the Government officials will know when more money is needed or should be withdrawn is by the use of an Index Number showing the price level, and also by the Bank Rate—interest rate on "call" money. If there is a scarcity of money to loan it will indicate that more money is needed, and it can be supplied *before there is any change in the bank rate;* and, on the other hand, when the bank reserves tend to increase unduly, then it will indicate, usually, that some of the money should be withdrawn, which can be done before any change takes place in the bank rate. While the bank rate is thus being used as a "barometer," the price level will be measured daily and it will be the final arbiter as to the volume of money.

Under such a system the banks will be protected from general panics and can safely keep a much smaller amount of cash on hand. This will make the proposed system of great value to bankers who are engaged in legitimate banking and are not speculators. Even the issuance of paper currency will be gladly waived by those engaged in straight banking, for there will be much more profit under a system which keeps business brisk *at all times* and therefore maintains a higher interest rate than would prevail in the periods of depression; and there would be no general panic for money and no possibility of one; and the cash reserves would be much lower than under the existing system. Under the proposed system banks can always get all the money they want at an hour's notice, if they have salable securities.

Returning to a consideration of the price level, it is to be noted that justice requires that after the crop of each year is harvested there should be a gradual rise in the price level to cover the cost of carrying the crop. At the end of the crop year the price level should return to the point at which it previously stood. But this is a detail which would be worked out by the commission in charge of the Bureau; evidence to be taken upon each point and each decision to be filed with the clerk of the Commission or Bureau. In this way a policy will gradually become worked out, subject, of course, to correction by the Commission and Congress. It is patent, however, that these details which are to determine whether the price level shall rise 1-5 or 1-10 of a point a month, can be left for decision until we are able to stop the tremendous fluctuations which now occur; for example, until we can prevent such tre-

mendous falls in the price level as have taken place since last spring, with threatened panic and other direful results.

As to the daily measurement of the price level, there is no room for fraud: the prices used will be those of staple products at wholesale in the primary or leading market of the country.

It is well to again call attention to the fact that a stable price level can be put into operation by the United States and *cannot be by the European countries*, because of the difference in the use of gold as a weapon of war. We have no war chest of precious metals.

Furthermore, under the present system it will be impossible for us to lose our specie basis, because it would injure the countries of Europe, and they, therefore, *would issue paper currency to keep metal in our circulation as well as in their own;* at the same time this would enable them to maintain within their respective territories a stable money market and a stable price level. They desire this condition most ardently, but cannot attain it until the United States or some other great country with a large volume of gold starts in and so regulates its volume of paper currency as to prevent fluctuations in the money market and price level. This means that the volume of gold in the United States, or the other great countries, will fluctuate, instead of fluctuations occurring in the money market and price level. This we could gladly welcome, owing to our fortunate position in the western hemisphere. Thus it is that the United States, owing to her peculiar situation, has a high duty to perform. Will she step forward and do it? It is a pleasing service which requires neither war nor sacrifice, and the result will be the banishment of the world-wide industrial depressions—depressions which have periodically existed as the result of the falling price level. Monopoly prices will continue to cause depression unless controlled, but the reform parties can correct this evil almost, if not quite, as effectively as it can the fluctuating price level. With the banishment of industrial depressions there will be a lessening of the antagonisms between nations, for each depression causes the several nations to enact laws against each other in the vain hope of bettering their own conditions. With trade antagonisms largely removed, the path to international arbitration and international law-making will be smoothed, and we may look forward to the time "[when] the war drum [throbs] no longer and the battleflags [are] furled, in the parliament of man, the federation of the world."

(3) Answers to Objections Against Direct Issue of Paper Currency by the Government.

(a) MODERN INVENTION OF MEASURING PRIVATE LEVEL NOT UNDERSTOOD.

The discovery of a practical method for measuring the price level is of comparatively recent date. It furnishes an accurate gauge for determining the volume of paper currency required. Of *the other methods* for gauging the volume of paper currency to be used in conjunction with metal money, the one usually advocated by those who favored a direct issue and control of the volume of paper currency by the Government was that of *a fixed volume of money per capita.* But this left the volume of credit to expand, at times, *and thus raise prices*, and then to contract *and thus lower prices.* Naturally, then, there was objection, and valid objection, to this "fixed volume per capita" means of regulation. Under that system, when prices were falling there would be a demand for more money, and very justly, and then, when prices were rising, there would be no way of counteracting the expansion of credit. But it

is otherwise when the price level IS MEASURED and the volume of paper currency SO CONTROLLED AS TO KEEP IT STABLE. *This is accomplished, as we have shown, by offsetting the fluctuations in the volumes of credit, and the changes in the demands which are made at the different seasons of the year, at the first of each month and at the end of each quarter.*

In short, this modern invention of measuring the price level has made feasible the maintenance of a stable money market and stable price level, and, when adopted, it will remove the money question from politics.

This leads us to answer an objection that has usually been urged against the direct issuance and control of paper currency by the Government.

(b) PAPER CURRENCY WILL NOT BE OVER-ISSUED.

The stock objection against the direct issuance of paper currency by the Government has been this: *The Government is likely to over-issue it*—it is likely to issue so much that the price level would be sent up and up, THUS CHEAPENING DEBTS.

We reply that however valid this objection may have been in the past, it does not apply to the proposed system, *because there is to be a* DEFINITE LIMIT TO THE VOLUME OF PAPER CURRENCY. *There can be no such thing as* A RISING PRICE LEVEL *after Congress has agreed upon the policy of maintaining a stable one.* Therefore, if in the systems previously urged there was a tendency to over-issue, it cannot be present under the proposed one. IN FACT, THE SYSTEM PROPOSED WILL REMOVE THE MONEY QUESTION FROM POLITICS. When the price level is stable there is no political party that would have the audacity to demand that it be made unstable. When the system of measuring the price level and of controlling the volume of money so as to fulfill the demands of justice is adopted, there will be no "money question," as there is now no question as to the size of a peck measure, or the length of a yard stick. But until justice is attained the money question will continue in politics.

(c) SPECIC BASIS WILL BE MANTAINED.

Another objection that has been raised to the Government issuance of paper currency is the possibility of issuing such an amount as to drive all the standard money abroad. This cannot occur under the proposed system of maintaining a stable price level; see page 49, above.

(4) Attitude of Democratic and Other Reform Leaders.

It is proper to state that Mr. Bryan has not gone farther than to state the general propositions that a stable price level should be maintained, and that the way to secure it is through a control of the volume of the paper currency. The details are very properly left to Congress and its committees. Some of the statements by Mr. Bryan and others are as follows:

An absolutely honest dollar would not vary in its purchasing power; it would be absolutely stable when measured by average prices. A dollar which increases in purchasing power is just as dishonest as a dollar which decreases in purchasing power.—*Hon. Wm. J. Bryan in Speech of Acceptance.* [He has repeatedly put forth this ideal.]

We stand for bimetallism, and a government paper money so controlled as to maintain a stable price level.—*Hon. Chas. A. Towne; Monetary Debate at Omaha*, 1898.

We demand a monetary system in which the units are all issued by the Government, with the quantity so regulated as to maintain a stable price level. *Hon. Marion Butler; speech in United States Senate, March*, 1900.

We, who advocate free coinage of both metals, are not ignorant that an added supply of metallic money will not take from the banks the power, through the expansion and contraction of mere credits, to inflate or depress the prices of commodities. But we know that *it is possible to fill the credit gaps which they create with money of the Government, or to level any inflation by money withdrawals*, and we realize that it will be the consummate attainment of Democracy when the price level shall be held by the state in exact poise.—*Hon. Geo. Fred Williams; speech at "Dollar Dinner" in New York*, 1899.

A wise financial policy administered in behalf of all the people would make our Government independent of any combination of financiers, foreign or domestic.—*Hon. Wm. J. Bryan; Speech of Acceptance*, 1896, *and restated many times.*

(5) The Kansas City Platform.

The Democratic National Convention held at Kansas City July 4, 1900, adopted the following financial plank:

An American Financial System.

We reaffirm and endorse the principles of the national Democratic platform at Chicago in 1896 and we reiterate the demand of that platform for an American financial system *made by the American people for themselves, which* SHALL RESTORE AND MAINTAIN A BIMETALLIC PRICE-LEVEL, and *as part of such system* the immediate restoration of the free and unlimited coinage of silver and gold at the present legal ratio of sixteen to one, without waiting for the aid or consent of any other nation.

Paper Currency.

We denounce the currency bill enacted at the last session of Congress as a step forward in the Republican policy *which aims to discredit the sovereign right of the National Government to issue all money*, whether coin or paper, *and to bestow upon National banks the power to issue and control the volume of paper money for their own benefit.* [Furthermore], A permanent National bank currency, secured by Government bonds, must have a permanent debt to rest upon, and, if the bank currency is to increase with population and business, the debt must also increase. The Republican currency scheme is, therefore, a scheme for fastening upon the taxpayers a perpetual and growing debt for the benefit of the banks. We are opposed to this private corporation paper circulated as money, but without legal tender qualities, *and demand the retirement of National bank notes as fast as* GOVERNMENT PAPER OR SILVER CERTIFICATES CAN BE SUBSTITUTED FOR THEM.

In the foregoing, the portion referring to a law for reopening the mints to silver means that *the private paper currency should be replaced with standard money* and that the price level should be restored to about where it stood last spring,* while the paper currency portion of the platform refers to the means whereby the price level shall be "maintained," i. e., kept stable.

But desirable as is the restoration of the price level, it cannot take place during the next two years at least, owing to a Senate that will be opposed to the reopening of the mints to silver. The situation as viewed by many prominent Gold Democrats and Anti-Imperialist Republicans is as follows:

(6) Senate Said to Be Against Free Silver, Therefore Gold Standard Law Will Not Be Changed.

Hon. Bourke Cockran, in a letter to the National Liberty Congress at Indianapolis August 15-16 of this year, said:

Conditions Not the Same as in 1896.

We cannot hope to deal intelligently with the issues of this campaign until we liberate ourselves from the domination of the questions, discussions and passions of the last campaign. Within four years political conditions have changed decisively, and as conditions change issues change with them. The question which the people must decide now is radically different from that submitted to them in 1896. Then the elec-

* For details, see page 49, above.

tion of Mr. Bryan would have placed the Democratic party in complete control of the legislative as well as the executive branch of the Government, with full power to enact all its beliefs into law, while now his election will result not in placing the control of the Government in the hands of the Democratic party, but in dividing its control between the two parties.

Whatever may be the result of this election, THE SENATE WILL REMAIN REPUBLICAN FOR TWO YEARS CERTAINLY, AND PROBABLY FOR FOUR. Even if the people raised Mr. Bryan to the presidency in November, the Democratic party cannot possibly achieve any power for legislation during the existence of the next Congress, and without legislative sanction no change in the standard of value, no reorganization of the Supreme Court, no modification whatever of our financial, industrial or political systems could be accomplished.

THERE IS ONE ISSUE WHICH THE POPULAR VERDICT WILL SETTLE IRREVOCABLY, AND THAT IS THE ISSUE OF IMPERIALISM. IF THE REPUBLICAN PARTY BE SUCCESSFUL, ITS CONTROL OF THE JUDICIAL DEPARTMENT AS WELL AS OF THE EXECUTIVE AND LEGISLATIVE DEPARTMENTS OF THE GOVERNMENT WILL BE ABSOLUTE, AND ITS DISPOSITION TO EXERCISE ALL ITS POWER FOR THE ENFORCEMENT OF AN IMPERIALISTIC POLICY CANNOT BE DOUBTED. AT THE END OF FOUR YEARS IMPERIALISM WILL BE SO FIRMLY IMBEDDED IN OUR POLITICAL LIFE THAT IT CAN NEVER BE EXPELLED.

MR. BRYAN'S ELECTION OF ITSELF WOULD PUT A QUIETUS ON THE IMPERIALISTIC ADVENTURE.

No policy specifically condemned by the people has ever been adopted into our system, and imperialism would prove no exception to the rule.

(7) Gold Standard Cannot Be Changed By Action of the President Alone.

But the administration is trying to keep the silver question to the front by claiming that the mere election of Mr. Bryan as chief executive of the Nation would produce havoc, even though he and his party cannot change the gold standard law. Hon. Carl Schurz replied that this claim admits the gold standard law of last March was *intentionally* made so as to leave the standard insecure *in order to furnish a scarecrow in the present campaign;* but that the administration, being in power in both houses, *can yet, if it chooses, change the law between now and next March.* An examination of the law, however, shows that the maintenance of the gold standard is made a duty and is in no wise dependent upon the discretionary power of the President or his Secretary of the Treasury, and Secretary Gage said that this was so. The wording of the law is as follows:

Gold Standard Law—Duty of Secretary of the Treasury.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine, as established by section thirty-five hundred and eleven of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States *shall be maintained at a parity of value with this standard,* AND IT SHALL BE THE DUTY OF THE SECRETARY OF THE TREASURY TO MAINTAIN SUCH PARITY.

As to just how this duty shall be performed, the following terms are explicit:

SECTION 2. The United States notes, and Treasury notes issued under the Act of July fourteenth, eighteen hundred and ninety, when presented to the Treasury for redemption, *shall be redeemed in* GOLD COIN of the standard fixed in the first section of this Act, and in order to secure the prompt and certain redemption of such notes as herein provided *it shall be* THE DUTY *of the Secretary of the Treasury to set apart in the Treasury a reserve fund of one hundred and fifty million dollars in gold coin and bullion, which fund shall be used for such redemption purposes* ONLY, and whenever and as often as any of said notes shall be redeemed from said fund it shall be *the duty of the Secretary of the Treasury* to use said notes so redeemed *to restore and* MAINTAIN SUCH RESERVE FUND IN THE MANNER FOLLOWING, to wit: First, by exchanging the notes so redeemed for any gold coin in the general fund of the Treasury; second, by accepting deposits of

gold coin at the Treasury or at any subtreasury in exchange for the United States notes so redeemed; third, by procuring gold coin by the use of said notes, in accordance with the provisions of section thirty-seven hundred of the Revised Statutes of the United States. If the Secretary of the Treasury is *unable* to restore and maintain the gold coin in the reserve fund *by the foregoing methods*, and the amount of such gold coin and bullion in said fund *shall at any time fall below one hundred million dollars, then it shall be his* DUTY TO RESTORE THE SAME TO THE MAXIMUM SUM OF ONE HUNDRED AND FIFTY MILLION DOLLARS by borrowing money on the credit of the United States, and for the debt thus incurred to issued and sell coupons or registered bonds of the United States, in such form as he may prescribe, in denominations of fifty dollars or any multiple thereof, bearing interest at the rate of not exceeding three per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after one year from the date of their issue and to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under state, municipal, or local authority; and the gold coin received from the sale of said bonds shall first be covered into the general fund of the Treasury and then exchanged, in the manner hereinbefore provided, for an equal amount of the notes redeemed and held for exchange, and the Secretary of the Treasury may, in his discretion, use said notes in exchange for gold, or to purchase or redeem any bonds of the United States, or for any other lawful purpose the public interests may require, except that they shall not be used to meet deficiencies in the current revenues. That United States notes when redeemed in accordance with the provisions of this section shall be reissued, but shall be held in the reserve fund until exchanged for gold, as herein provided; and the gold coin and bullion in the reserve fund, together with the redeemed notes held for use as provided in this section, shall at no time exceed the maximum sum of one hundred and fifty million dollars.

SECTION 3. That nothing contained in this Act shall be construed to affect the legal-tender quality as now provided by law of the silver dollar, or of any other money coined or issued by the United States.

The following comment upon this law was made by Secretary Gage July 6, just after the Democratic National Convention:

Secretary Gage's Letter of July 16, 1900.

I am satisfied that the new law establishes the gold standard BEYOND ASSAULT, unless it is deliberately violated. * * * It is quite true that the legal tender quality has not been taken away from the silver and paper money of the United States. It would have been a remarkable and disquieting thing to do. * * * What difference would it make to me if I held some bonds and Mr. Bryan should direct his Secretary of the Treasury to sort out some of his limited stock of silver dollars for the purpose of redeeming the bonds? Would I not immediately deposit the silver in my bank and draw checks against it just as I would if the Secretary had exercised the more rational policy of paying me with a subtreasury check? *I believe that silver will never drop below par in gold.* THE CRUX OF THE PROPOSITION IS THAT ADEQUATE MEASURES HAVE BEEN TAKEN BY THE NEW LAW TO PREVENT SUCH A CONTINGENCY.

After dilating upon the absolute security conferred upon the finances by the new law, Mr. Gage concluded:

It is wholly immaterial whether some Secretary of the Treasury pursues THE INFANTILE POLICY OF PAYING SILVER DOLLARS UPON THESE BONDS INSTEAD OF CHECKS, when, as I have shown, all money of the United States is convertible into gold. These are the distinct provisions of the new law, and *they cannot fail to maintain the gold standard except by the* DELIBERATE VIOLATION OF THE DUTY IMPOSED BY THE LAW UPON THE SECRETARY OF THE TREASURY. IN THE EVENT OF MR. BRYAN'S ELECTION, I THINK THE GOLD STANDARD WOULD BE RESOLUTELY MAINTAINED SO LONG AS THE LAW REMAINED ON THE STATUTE BOOK.

All this was after the adoption of the Kansas City platform and the nomination of Mr. Bryan; yet now, with the campaign in full blast, Secretary Gage comes out and asserts that if Mr. Bryan is elected and pays out some of the silver dollars it will put us on a silver basis. *But he has answered himself in*

this letter of an earlier date, written before the campaign warmed up.

The foregoing pertains to metal money but not to the paper currency. The outlook for legislation as to paper currency is uncertain.

(8) A Change in Law for Paper Currency is Uncertain

All voters should know that the remedy for the Standard Oil Trust and National Money Trust is the control of the paper currency under rules of justice laid down by Congress. And they should further know that until such a system is adopted they will continue the present accidental system—a system which results in an accidental standard of value. The standard during the past years has varied with each discovery of gold or the existence of panic or war. In the future the same uncertainties lie before us if the same system is continued. A brief description of some of these uncertainties is as follows:

(9) Future of Price Level Very Uncertain Under Existing System of Paper Currency.

(a) THE UNCERTAIN VOLUME OF GOLD MONEY IN CIRCULATION—ATTITUDE OF CREDITOR CLASS.

The output of gold from the mines has developed tremendously and the output for next year and the years following is very uncertain. But this fluctuating output is quite regular as compared with the demand for gold. We have shown in the earlier pages that during the years 1885 to 1900 there were tremendous changes in the demand for gold. At one time the volume of gold coin in circulation *was shrinking.* Later the Governments changed their policies, which helped to bring about a large increase in circulation, and prices rose. Opinions differ as to the extent of the control exercised by creditors in the affairs of European governments, but we do know that in England they recently succeeded in securing the enactment of a law which puts the gold standard into India. Some of the testimony before the Indian Currency Commission, which recommended the passage of the law, is as follows:

Lord Rothschild's Attitude.

July 25, 1898, Lord Rothschild appeared before the Commission and recommended (1) that India be placed on the gold standard; (2) that the silver in use in India, except the fractional currency, be *displaced by gold*, and (3) *that an amount of gold equal to* $100,000,000 *of United States money* SHOULD BE PURCHASED BY INDIA. His exact words are:

"It must be remembered that the annual production of gold IS NOW 45,000,000 pounds (225 MILLION DOLLARS PER YEAR) AND IS RAPIDLY INCREASING EVERY YEAR." To establish a "gold standard in India it would be necessary for the Indian government to stop the influx of silver, and the next step would be to raise a loan in England for the purchase of 18,000,000 pounds or 20,000,000 pounds in order to buy gold to be held against silver (at present held by the Indian government), the silver being in future reserved for fractional currency. *I am afraid my evidence may startle some nervous people*, but I have no intention of advising that the 18,000,000 pounds or 20,000,000 pounds of gold should be purchased at once; the operation would naturally extend over some years, as the Austrian and Russian operations did, and WOULD REQUIRE VERY CAREFUL MANIPULATION and knowledge of the markets of the world." (Sec. 7614, Minutes of evidence.)

Mr. Alfred de Rothschild's Testimony.

Mr. Alfred de Rothschild, of London, in a paper read to the Indian Commission January 12 of this year, argues for a gold currency in India, saying:

"A gold standard without a gold currency seems to me an utter impossibility, and in this respect *I entirely agree*

with the evidence given by my brother, Lord Rothschild, as I do on all the other points on which he has laid stress.

"How can the gold currency be most conveniently, cheaply, and rapidly realized? * * * Essentially it should consist of arrangements for the establishment of a sufficient gold reserve as a beginning, and the free flow of gold into the country as well as out of it, when need arises."

To get the gold into India and keep it there Mr. Rothschild recommended the creation of a great bank in India somewhat similar to the Bank of England, saying that among its advantages would be:

"First, A LARGE SUM OF GOLD WOULD BE IMMEDIATELY PROVIDED. * * * A gold standard if attempted would materially contribute toward THE SHIPMENTS OF GOLD WHICH WOULD NATURALLY TAKE THE PLACE OF THOSE OF SILVER." (Sec. 11,853, Minutes of Evidence.)

BARON MONTAGU.

Sir Samuel Montagu, Baronet, Member of Parliament and bullion merchant for more than fifty years, in his testimony before the Indian Currency Commission, July 12, 1898, recommended a gold currency for India, saying: "There is now a production of gold, I believe, unequaled. YOU WOULD DO A SERVICE, I think, TO EUROPE IF YOU WERE TO GRADUALLY UTILIZE THIS EXTRAORDINARY SURPLUS OF GOLD." (Sec. 6,664, Minutes of Evidence.)

The British Parliament adopted these recommendations *and enacted a law extending the Gold Standard to India. Among the results is* AN EXPORT OF GOLD TO INDIA WHICH FOR LAST APRIL, MAY AND JUNE AMOUNTED, NET, TO $9,000,000. AT THIS RATE INDIA WILL TAKE ABOUT $36,000,000 OF GOLD EACH YEAR.

(b) VOLUME OF PAPER CURRENCY VERY UNCERTAIN—ATTITUDE OF THE TRUSTS AND WALL STREET BANKS—POSSIBILITY OF WAR.

The foregoing is the attitude of the creditor class. They aim *to lessen the value of money* and thereby increase the value of the dollar and of debts payable in dollars. On the other hand, the trusts are benefited by a volume of money *sufficient to keep the price level rising, or at least to prevent it from falling;* while the private banks in Wall Street *desire to control the price level.*

These two interests, the trusts and the bankers, have developed tremendously during the past three years, and *they are in power in the United States —they have legislated against the creditor class.* This is demonstrated by an enactment of a law whereby $100,000,000 of paper currency has been issued by private corporations since last spring. This paper currency is given sufficient legal tender qualities to circulate it in all parts of the Union.*

This paper currency has been increasing in volume somewhat steadily since last spring, yet when the crops are moved the volume may no longer increase. *If the price level falls there is pretty sure to be no increase, for money will pile up in the banks. In other*

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*LEGAL TENDER.—The National Banking law declares that the circulating notes issued in conformity with the law *"shall be received at par in all parts of the United States in payment of taxes, excises, public lands and all other dues* TO THE UNITED STATES, except duties on imports; *and also for all salaries and other debts and demands* OWING BY THE UNITED STATES TO INDIVIDUALS, CORPORATIONS AND ASSOCIATIONS WITHIN THE UNITED STATES, except interest on the public debt, and in redemption of the national currency."—(Section 5,182, U. S. Revised Statutes.)

"Every national banking association formed or existing under this title SHALL TAKE AND RECEIVE AT PAR, for any debt or liability to it, any and all notes or bills issued by any lawfully organized national banking association. But this provision shall not apply to any association organized for the purpose of issuing notes payable in gold."—(R. S. Sec. 5,196.)

words, THE TRUSTS HAVE NOT BEEN ABLE TO CONSTRUCT A SYSTEM THAT WILL KEEP THE PRICE LEVEL FROM FALLING, because the opposing parties are advocating the only system that will do this *and that can be put through Congress and accepted by the people.*

A further important factor as to the volume of money in the near future is the possibility of war. If the great countries of Europe engage in war, gold hoards will be expended in foreign countries for supplies, and that would make prices rise tremendously; and, furthermore, specie payments would very likely be suspended, paper money issued, and the gold forced abroad. On this point Prof. Lotz, of Germany, has pointed out that if war comes between the great nations of Europe they will "borrow enormous sums of gold coin from their central banks" and will issue paper currency for use within the country. In the past, we have had severe wars with an issue of paper currency, and this has forced the metal money into foreign countries in the purchase of munitions of war. Prof. Jevons has commented upon this fact, pointing out the tremendous changes it has wrought in the price level, and in conclusion he said:

"Above all I must insist upon the importance of establishing a rule against the sudden replacement of masses of metal by paper currencies. As several great nations may join in a war, this means an immense sudden supply of bullion and a decreased demand. I can only repeat that these excessive rises and falls of value are not due to silver or gold, but to paper. * * * *The real evil comes from paper.*"

We reply that the necessities of war are such that increased issues of paper currency at these times *cannot be prevented;* but the countries not at war, which must take gold into their circulation or close their mints, *can gradually retire their paper currency, and then when the war is over and the countries buy back their gold, the paper currency can be reissued.*

From the facts in the two preceding sections we arrive at the following conclusion:

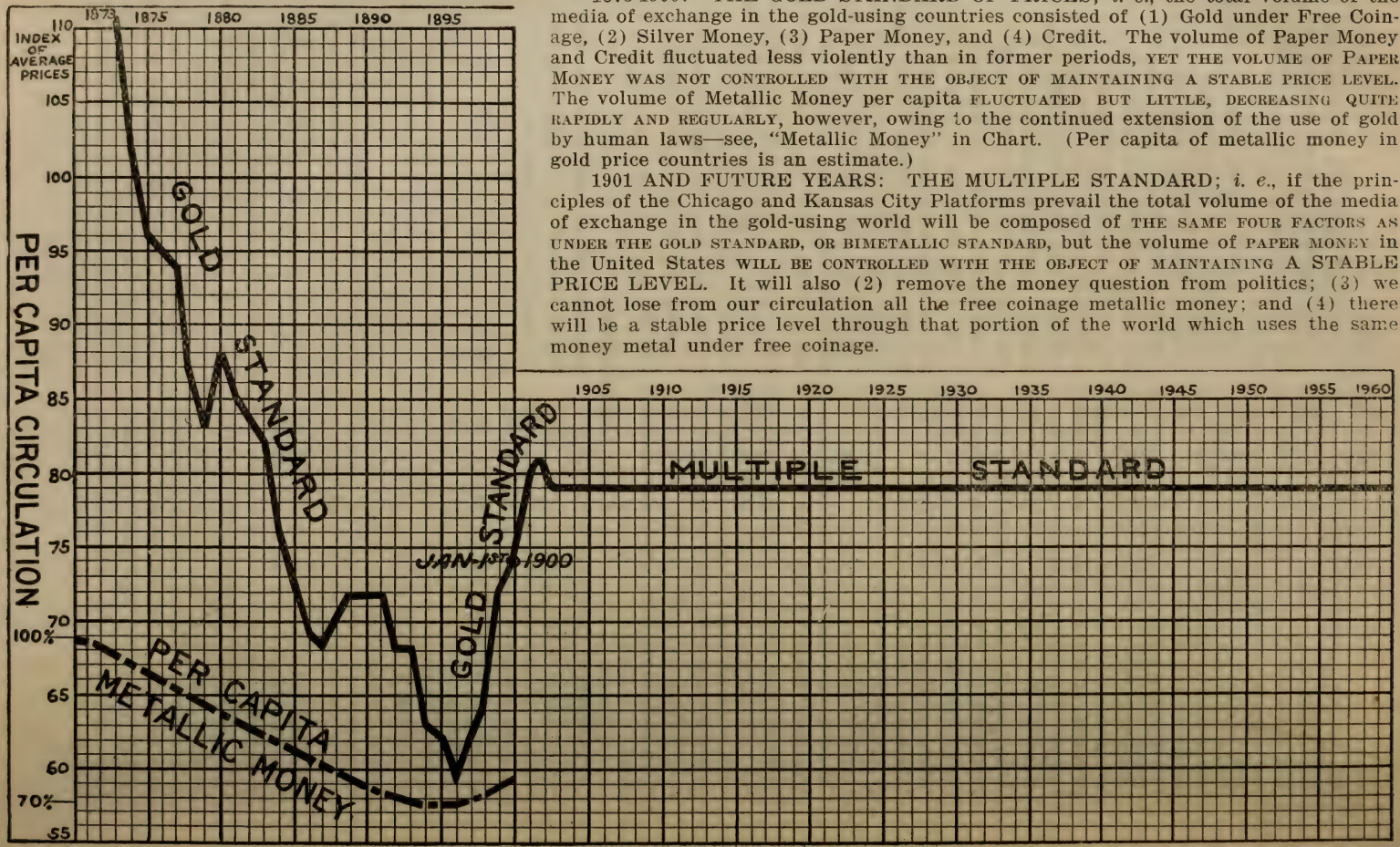
(c) CONCLUSION.

The voters of the United States should declare that their Government shall control the volume of paper currency so as to offset (1) the changes in the volume of credit, (2) the changes in the volume of standard money, and (3) the demand for money. *By doing this there will result a stable money market and stable price level.* The details of such a system are pointed out at page 49, above. Until it is adopted we shall go on "bumping our heads." Our business men cannot tell the direction of the bank rate two hours in advance, yet they must make contracts for the payment of money years in advance; in other words, with the volume of money very uncertain, and with no way of foretelling its value. business men must make contracts for the payment of money. Thus they are forced into a gambling transaction, and the fluctuating price level, with the resulting disorganization of business, is an evil of such proportions that pages will not fittingly describe it. And this is not all. A price level that will continue stable will result in a prosperity so far in advance of that which we have ever experienced that at present we have no gauge or standard whereby to determine the inestimable blessings that will flow from it. *The election of the Reform Ticket will usher in this great blessing:* if the Congress elected this year will not grant it, then two years from now the good work accomplished by the reform forces will result in a Congress that will control the volume of paper currency under fixed rules of justice.

The effect of such a control is shown on the following page.

HISTORY OF GOLD STANDARD AND NECESSITY FOR CONTROLLING VOLUME OF PAPER MONEY.

Sauerbeck's Index Number of Average Prices for England.



1873-1900: THE GOLD STANDARD OF PRICES; *i. e.*, the total volume of the media of exchange in the gold-using countries consisted of (1) Gold under Free Coinage, (2) Silver Money, (3) Paper Money, and (4) Credit. The volume of Paper Money and Credit fluctuated less violently than in former periods, YET THE VOLUME OF PAPER MONEY WAS NOT CONTROLLED WITH THE OBJECT OF MAINTAINING A STABLE PRICE LEVEL. The volume of Metallic Money per capita FLUCTUATED BUT LITTLE, DECREASING QUITE RAPIDLY AND REGULARLY, however, owing to the continued extension of the use of gold by human laws—see, "Metallic Money" in Chart. (Per capita of metallic money in gold price countries is an estimate.)

1901 AND FUTURE YEARS: THE MULTIPLE STANDARD; *i. e.*, if the principles of the Chicago and Kansas City Platforms prevail the total volume of the media of exchange in the gold-using world will be composed of THE SAME FOUR FACTORS AS UNDER THE GOLD STANDARD, OR BIMETALLIC STANDARD, but the volume of PAPER MONEY in the United States WILL BE CONTROLLED WITH THE OBJECT OF MAINTAINING A STABLE PRICE LEVEL. It will also (2) remove the money question from politics; (3) we cannot lose from our circulation all the free coinage metallic money; and (4) there will be a stable price level through that portion of the world which uses the same money metal under free coinage.

PART IV.

PRIVATE MONOPOLIES.

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A. Definition of Monopoly and Classification.

"Monopoly," as the term is used in the following pages, is such an absence of competition between business organizations that price is thereby controlled. The degree of control may vary. Where 60 or 70 per cent of the product in an industry is controlled by an organization, it controls the price. Where the control of a monopoly price is by private individuals, it is a Private Monopoly.

Where there is a control of monopoly price by the Government, the title to the property remaining in private individuals, it is a Publicly-Regulated Monopoly. And this is its nature, even though the regulations extend to the details of how the monopoly shall be managed.

Where a public corporation owns the title to the property used in the monopoly and the rates are regulated by the Government, it is a Publicly-Owned Monopoly—a Public Monopoly. The postoffice is a public monopoly.

Generally, when "monopoly" is used it is as the equivalent of "private monopoly." Examples illustrative of this are in the following paragraphs:

B. Under the McKinley Administration the Prices Charged by National Monopolies are Fixed by Private Individuals, Except in the Postal Service.

1. GENERAL STATEMENT.

In the United States all monopolies that are national in extent are Private Monopolies, except the postoffice. The Government does not regulate the price charged, nor is there public ownership except in the postal service. The telegraph is a private monopoly, so is the express. The railways are private monopolies and so are the monopolies in production and trade, known as trusts. Everyone knows that the prices charged by the trusts are in nowise regulated by the Federal Government, and the following is proof that railway rates (including accommodations) *are no longer controlled by the Federal Government.*

2. RAILWAY RATES ARE NOW FIXED BY PRIVATE INDIVIDUALS.

a. History up to 1884.

The prices charged by railways in the United States were not controlled by the Government until in the '70s. During the years 1867 to '70 the people in the Western States complained that the railway rates were too high and that there were discriminations between shippers and against many of the smaller cities. To such a height did resentment rise that in many of the States a majority of the legislators were pledged to redress the people's grievances. *The laws enacted were so effectual in controlling rates and preventing discrimination that the private owners of the roads secured from the United States Supreme Court a decision* (quoted below) *which took the control of freight rates from the State Legislatures* AND PLACED IT IN THE FEDERAL GOVERNMENT. This transfer of the governmental power over interstate traffic was accomplished in the following manner:

Congress had not attempted to regulate the freight rates on interstate commerce. If it had, there would have been no question of its right to do so under the constitutional provision giving it power "to regulate interstate commerce." But *before Congress attempted to regulate this commerce*, the Supreme Court held that the State had no power under the Constitution to limit the rates in transportation within the State for freight or passengers *destined for another State* (Wabash, etc., R. R. Co. v. Illinois, 118 U. S. R. 557).

Three of the judges refused to thus limit the power of the States, WHILE SIX VOTED TO CHANGE THE RULE WHICH HAD PREVAILED FROM THE TIME THE CONSTITUTION HAD BEEN ADOPTED. Thus were the Legislatures of the several States deprived of nearly all their power over the railways within their borders, and to Congress was delegated the control. Subsequent events proved that the railway corporations owned Congress, *and therefore the people of the several States were again delivered into the hands of the monopoly barons*—PRIVATE MONOPOLY.

b. The Interstate Commerce Law, and How Thwarted.

It was in 1884 that the Supreme Court took from the States the power to restrain the railway corporations and placed it in Congress. During the following winter the Regan bill passed the House, but the Senate rejected it and

submitted a bill more favorable to the holders of railway franchises. At the next session of Congress the same process was gone through with; and during the succeeding session a similar deadlock occurred, but in the conference between the House and the Senate an agreement was reached *and the compromise measure became a law.*

Subsequent events demonstrated that the law was a benefit to the public and also a benefit to the holders of railway franchises. It was beneficial to the public in shutting off a tremendous amount of discriminations in rates and accommodations, while it was a benefit to the railway corporations in doing away with a large amount of rebates, passes, etc.

But since the time the Interstate Railway Law was enacted the Supreme Court has been taking from the Interstate Commerce Commission its power, AND DURING 1897 IT WAS DEPRIVED OF PRACTICALLY ALL POWER OVER RAILWAY RATES AND DISCRIMINATIONS. In the words of a member of the Commission, Mr. Prouty, in the *North American Review*, November, 1898:

"Decisions of the Supreme Court of the United States within the year have determined that the Commission did not possess powers OF THE MOST VITAL CONSEQUENCE, WHICH IT HAD ASSUMED TO EXERCISE FROM THE FIRST."

c. The Railway Question of Today: Regulation or No Regulation?

(1) BILL PROPOSED BY INTERSTATE COMMERCE COMMISSION.

Commissioner Prouty, after stating the foregoing, continues:

"From all this it had become evident in the fall of 1897 that in the interest of both the railways and the public this law must be revised. *The railways already had before Congress certain important amendments to the Act,* WHICH THEY WERE URGING WITH GREAT INSISTENCE. With a view to presenting *the side of the public as well,* so that Congress might have before it the claims of all the parties, the Commission in its Eleventh Annual Report endeavored to explain the present condition of this law and to point out the amendments which were necessary to secure to the public the benefits contemplated by the original act."

But the Administration refused to restore to the Commerce Commission its power to prevent discriminations in freight rates, and to prevent excessive charges.

The next year the Commission again asked that power be restored to it in order to prevent discriminations in freight rates and excessive charges, and again the Administration pigeon-holed its request.

In its next annual report, that of January 15 of this year, the Interstate Commerce Commission again asked for a restoration of power to prevent discriminations and excessive freight rates, and again the Administration pigeon-holed its request and attempted to deceive the people as to the cause of trusts by putting a bill through the House asking that Congress be given power to prevent trusts, by granting to it the power which the States now exercise under the Constitution. Compare the following statement by the Interstate Commerce Commission, *for it clearly shows that Congress has power to control the trusts and is refusing to exercise it.*

WASHINGTON, D. C., January 15, 1900.

To the Senate and House of Representatives:

The Thirteenth Annual Report of the Interstate Commerce Commission is respectfully submitted to the Congress.

In its last annual report the Commission stated that attention had been called in previous reports to THE VITAL RESPECTS IN WHICH THE ACT TO REGULATE COMMERCE HAS PROVED DEFECTIVE AND INADEQUATE; THAT THE PRESENT LAW CANNOT BE PROPERLY ENFORCED, AND THAT UNTIL FURTHER LEGISLATION IS PROVIDED THE BEST EFFORTS AT

REGULATION MUST BE FEEBLE AND DISAPPOINTING. The requests of the Commission for needful amendments have been supported by petitions and memorials from agricultural, manufacturing and commercial interests throughout the country; YET NOT A LINE OF THE STATUTE HAS BEEN CHANGED AND NONE OF THE BURDENSOME CONDITIONS WHICH CALL FOR RELIEF HAVE BEEN REMOVED OR MODIFIED. The reasons for the failure of the law to accomplish the purposes for which it was enacted have been so frequently and fully set forth that repetition cannot add to their force or make them better understood. *It is sufficient to say that the existing situation* AND THE DEVELOPMENTS OF THE PAST YEAR RENDER MORE IMPERATIVE THAN EVER BEFORE THE NECESSITY FOR SPEEDY AND SUITABLE LEGISLATION. We therefore renew the recommendations heretofore made and earnestly urge their early consideration and adoption.

AMENDMENTS REQUIRED.

Many persons do not understand the precise nature of the amendments required for enforcing the substantive provisions of the act, while others have apparently reached the belief that no scheme of regulation short of Government ownership and operation can be made effective. Nevertheless, it is perhaps safe to say that nine-tenths of the people *do* know that any railroad company can charge for its service whatever it pleases, without any real power in this commission or any other tribunal or court to limit the amount of such charge for the future when complaint is made by an aggrieved shipper, AND THAT THEY ARE SUBSTANTIALLY OF ONE MIND IN DESIRING THAT THIS AND OTHER DEFECTS IN THE STATUTE BE PROMPTLY REMEDIED.

It is also true that shippers generally have been practically unanimous in favor of a single classification of freights—one that will be uniform for all roads and all sections of the country, and reasonably stable when established.

The general public dissatisfaction with the present statute has frequently been expressed in resolutions adopted by various national organizations composed of business men, manufacturers, and farmers, and by the National Convention of Railroad Commissioners. At a conference held in Chicago in November last, and attended by representatives from a number of national associations of manufacturers, merchants, millers, and other branches of trade, a bill embracing the more important amendments which have been recommended by this Commission was, after discussion of each feature, *formally approved as the measure which would best meet the requirements of business and commercial interests. This bill has been introduced* in the Senate by Senator Cullom, best known as Senate Bill No. 1439, and will be found in Appendix C to this report.

SUCH A MOVEMENT ON THE PART OF ASSOCIATED PRODUCING AND SHIPPING INTERESTS, REPRESENTING, IT IS SAID, AN AMOUNT OF INVESTED CAPITAL EXCEEDING THE AGGREGATE CAPITALIZATION OF ALL THE RAILWAYS, IS IN ITSELF A CLEAR INDICATION OF THE POPULAR DEMAND. The query suggests itself whether continued failure to perfect the regulating statute on reasonable lines *will not soon result in an irresistible demand for the most radical and drastic legislation.*

THE SITUATION TODAY: A MAMMOTH RAILWAY MONOPOLY, AND LESSER ONES.

It is a matter of common knowledge that vast schemes of railway control are now in process of consummation and that the competition of rival lines is to be restrained by these combinations. While this movement has not yet found full expression in the actual consolidation of railroad *corporations*, enough has transpired to disclose A UNIFICATION OF FINANCIAL INTERESTS WHICH WILL DOMINATE THE MANAGEMENT AND HARMONIZE THE OPERATIONS OF LINES HERETOFORE INDEPENDENT AND COMPETITIVE. This is today the most noticeable and important feature of the railway situation. If the plans already foreshadowed are brought to effective results *and others of similar scope are carried to execution*, there will be a vast centralization of railroad properties, with all the power involved in such far-reaching combination, YET UNCONTROLLED BY ANY PUBLIC AUTHORITY WHICH CAN BE EFFICIENTLY EXERTED. *The restraints of competition upon excessive and unjust rates* WILL IN THIS WAY BE AVOIDED AND WHATEVER EVILS MAY RESULT WILL BE WITHOUT REMEDY UNDER EXISTING LAWS.

* * * * * *

Coincident with these schemes of *unified control*, and while this exceptional movement of traffic continues, the carriers operating throughout an extensive

and important territory *have recently made substantial and in many cases very large increases in their scale of charges.* These advances in rates have been mainly effected by concerted and agreed changes in the classification of freight articles by roads, both connecting and competing, which use the same classification and make the same a part of the tariffs filed by them under the law. Numerous articles have been taken from the class in which they were formerly placed and put in a higher class, to which higher rate is applied, and many articles heretofore on the commodity list have been included in the classified traffic, with the result of materially increasing the charges imposed thereon. Advances of rates in this manner have been made on hundreds of articles, many of which are necessaries in general use and constantly moving from place to place in the process of distribution.

It is not intended to intimate that these advanced rates are unlawful, and no opinion is expressed as to their actual or relative reasonableness. But the fact that such extensive increases in railroad charges have been brought about *by the method described must be of significant import and furnish a weighty argument in favor of measures which will be effective to secure compliance with the primary requirements of the act.* These advances in rates have been agreed upon by the carriers without opportunity, as a rule, for shippers, dealers, or consumers to be heard. It is inevitable that changes so numerous and important, affecting public interests throughout so large a part of the country, will give rise to many complaints, *both in respect to the unreasonableness of particular rates complained of and alleged discriminations in the relation of rates.* Reference is elsewhere made to the nature and number of complaints and protests on account of these changes in classification and the consequent increase of rates and readjustment of rate relations.

Whatever may be the merits of these complaints, the parties making them are recognized by the law as having rights involved in the question of the reasonableness and justice of the charges which they are required to pay. BUT SO LONG AS THE CONGRESS SEES FIT TO LEAVE CARRIERS PRACTICALLY FREE TO MAKE AND APPLY SUCH RATES AS THEY CHOOSE, whether acting independently or by concert, and whether competing or otherwise, AND THERE IS AT THE SAME TIME NO ADEQUATE PROVISION FOR DETERMINING WHETHER SUCH RATES ARE JUST AND REASONABLE, OR FOR PREVENTING THE EXECUTION OF THOSE FOUND UNJUST AND UNREASONABLE, ALTHOUGH DECLARED BY THE STATUTE TO BE UNLAWFUL, THE INJUSTICE WHICH MAY RESULT MUST BE WITHOUT AVAILABLE REDRESS.

(2) CRITICISM BY RAILWAY MAGNATES AND THEIR ATTORNEYS.

The above recommendations of the Interstate Commerce Commission have caused the railway and other trust magnates much trouble and expense. To quote the words of Judge Prouty, of the Interstate Commerce Commission, in an article in the *North American Review*, November, 1898:

The recommendations of that report [of January, 1898] have been most bitterly assailed. Joseph Nimmo, Jr., LL. D., one time chief of the Division of Internal Commerce in the Treasury Department at Washington, has declared that the suggestions of the Commission amount to "unmitigated governmental imperialism of the populistic type." Mr. Aldace F. Walker, a former member of the Interstate Commerce Commission, and now a very potent authority in railway matters, asserts in a pamphlet recently published that "the powers outlined in the report * * * cover all that the wildest advocate of a bureaucratic system could desire," and are "the most enormous ever conceived by the human intellect." These statements have been reiterated by many lesser lights, and have been widely copied in the newspaper press. From all this has grown an impression in certain quarters that the suggestions of the Commission are in fact un-American in principle and impracticable in application, and that the Commission has sought to grasp an autocratic power far beyond the scope of the original act. Many people who believe firmly in the interstate regulation of railways and in the Act to Regulate Commerce feel that to pass the Cullom bill, which embodies in the main the recommendations of the report, would be going too far.

The thing specially animadverted upon by Mr. Walker and Dr. Nimmo,

and especially obnoxious to the railway interests, is what they term "the rate-making power." It is gravely said that nothing less than the power to make all interstate railway rates is aimed at, and that to grant this "revolutionary" authority would be to paralyze commerce and "threaten all energy and enterprise."

(3) ANSWER BY COMMERCE COMMISSION.

(a) Statement.

The best answer to this [continues Commissioner Prouty] is the report of the Commission itself, in which these matters are fully discussed. Nobody reads, however, a Government report; and hence I wish to state here, without any attempt at elaboration, just *what* the Commission has asked for in respect to rates, just *why* it is asked for, and just *how that power compares with that exercised by the Commission in the past.*

Mr. Prouty then proceeds to state the case even to its minutest details, showing that under the plan recommended by the commission, and as was practiced for years under the Inter-State Commerce Law, the railways shall fix the rate subject to review by the Commission. If the Commission finds a rate is unreasonable it shall reduce it and the roads shall continue this rate until conditions change. In the words of Mr. Prouty, in summing up,

THE POWER WHICH THE COMMISSION ASKS IS TO COMPEL THE CARRIERS TO CHARGE FOR THE FUTURE WHAT HAS BEEN DETERMINED TO BE A REASONABLE RATE. THE DECISION OF THE COMMISSION CAN BE REVIEWED IN THE VARIOUS COURTS OF THE UNITED STATES.

* * * * * *

This is the only power over rates which the Commission asks for, and this is not the power to make a rate, but the power to correct a rate when it has, with every formality, been determined to be wrong and unreasonable. The carrier makes, publishes, and puts in force its rates, and with this the Commission can neither by direction nor indirection interfere. It is only when the Supreme Court of the United States has declared, if the carrier elects to carry the case there, that the rate established by the carrier is unreasonable, and that the rate suggested by the Commission is reasonable, that the latter rate can be put in force. This is the "rate-making power" which has been paraded before the country, which is to wither up our commerce and destroy our energy. This is "imperialism," "unmitigated imperialism," and of the "populistic type" at that.

Now, why is it necessary that the Commission should have power to compel the carrier to charge this rate for the future? BECAUSE IN NO OTHER WAY CAN THE PROVISIONS OF THE ACT TO REGULATE COMMERCE BE MADE EFFECTIVE. The first section of that Act declares that all rates shall be just and reasonable, and without the power to compel the carrier to charge a rate which is just and reasonable the benefit of that prohibition cannot be secured to the public.

* * * * * *

(b) Power Asked for Is Not New

It is alleged that the power asked for in respect to the correction of rates *is a new and a revolutionary power*, never before seriously thought of in connection with the Act to Regulate Commerce, and which the Commission is seeking to arrogate to itself now for the first time.

The fact that this power is a new one, were that a fact, would not be conclusive against it. If the experience of ten years had demonstrated that in no other way could the principles of the Interstate Commerce Act be enforced, that might afford a sufficient reason for bestowing even an untried authority. Such is not, however, the situation. *This power is not new.* It can be demonstrated that in the popular apprehension the Commission *always possessed this power, that for the first five years of its existence* THE RAILWAYS CONCEDED ITS EXISTENCE, and that from the first case in which its exercise was possible down to the 24th day of May, 1897, IT WAS UNIFORMLY EXERCISED BY THE COMMISSION.

Mr. Walker, in his pamphlet referred to, has stated with great emphasis that this authority is a novel one. The substance of what he says is that the Interstate Commerce Act conferred upon the Commission no power over rates, and that no one at the time of its passage supposed that it did; that at first the Commission itself was in harmony with this view of the situation,

and disclaimed all authority to nominate rates, but that subsequently, in the progress of events, it began to seek such authority, when its aspirations were checked by the decision of the Supreme Court in May, 1897.

For the first eighteen months of its existence Mr. Walker was a member of the Interstate Commerce Commission. An examination of the records and files of that body during that period will show that no authority over rates is asked for today, with a single exception, and that an apparent one, *that was not either actually exercised by him during that period, or the granting of which he did not recommend to Congress.*

Here Mr. Prouty quotes the instances to prove the foregoing statement, and also quotes from Dr. Nimmo, and in conclusion says:

(c) How Railway Magnates Fight the People.

The criticisms of Mr. Walker and Dr. Nimmo are significant as indicating *the attitude of certain railways*, not perhaps a majority, *toward the proposed legislation.* That attitude and the reason for it are not difficult to understand. Originally the railways naturally opposed the passage of this law. When it became evident that some measures of the sort would be enacted [1885 to 1887], THE OBJECT WAS TO MAKE IT AS HARMLESS AS POSSIBLE. Several great railway systems suffered a change of heart, and were not only ready to admit that there ought to be such a law, *but even to suggest what it ought to be. Some acute lawyer was ready to suggest at every vital point an innocent looking amendment.* The result was that, while the general principles of the law were broad enough, no sooner was an attempt made to enforce those principles than defects began to appear, and the climax was reached when the Court decided, May 24, 1897, that the act gave no power over the rate, and therefore that there was no way in which the provisions of the first and third sections could be made effectual.

The bill of the Commission, so far as the rate-making power is concerned, simply aims to provide a way in which the provisions of those two sections can be enforced. THE ASTUTE RAILROAD REPRESENTATIVES OF THIS COUNTRY SAW AT A GLANCE THAT THAT ISSUE COULD NOT BE MET. *Hence the endeavor to spread abroad the idea that this is* A NEW NOTION, that these are new powers, dangerous in their exercise, and at variance with the genius of our institutions; and so persistently has all this been circulated that many people have come actually to believe it.

(d) The Question at Issue.

THE REAL ISSUE, HOWEVER, IS REGULATION OR NO REGULATION. Occasionally a railway manager is found frank enough to admit this. One of the most earnest opponents of these proposed amendments is Mr. Milton H. Smith, President of the Louisville & Nashville Railroad Company. Some time since Mr. Smith testified in a matter pending before the Commission, and in the course of that testimony took occasion to give his views upon the situation. He has published and circulated in certain quarters that testimony. The following brief extract is given here:

"COMMISSION: We exercise no authority over your rate until it has been determined by investigation that that rate is an unreasonable one. Your objection comes to this, that there ought to be no authority anywhere which has power to inquire whether a rate on the Louisville & Nashville Railroad is reasonable or unreasonable? . . .

"MR. SMITH: That is my position.

. . . . . .

"COMMISSION: Now, let us go back to our question. That is the foundation of it all. Here are these two points connected by your line of railroad and connected by no other line. You say that the government ought to leave you and the shipper who resides at those places free to contract. Now, that shipper is obliged to pay whatever you charge?

"MR. SMITH: No.

"COMMISSION: What could he do?

"MR. SMITH: He could walk: he can do as he did before he had a railroad, as thousands now do who have not railroads."

Exactly. Let the people walk.

Put alongside of this the latest utterance of the Supreme Court of the United States in disposing of the Nebraska Freight Rate Cases, March 7, 1898:

"It cannot, therefore, be admitted that a railroad corporation maintaining a highway under the authority of the State may fix its rates with a view solely to its own interests and ignore the rights of the public."

Here is presented in the statements of Mr. Smith and Mr. Justice Harlan the real controversy. If Mr. Smith is right, then the law *as it now stands is right. If Mr. Justice Harlan is right,* THEN THE LAW AT PRESENT AFFORDS NO PROTECTION TO THE PUBLIC, for its only remedy today is to walk.

(Signed) CHARLES A. PROUTY.

Mr. Smith, President of the Louisville & Nashville Railroad Company, replied to the foregoing, and was answered by

Mr. Prouty in *The Forum* of April, 1899. Mr. Prouty, after setting forth the case, makes the following summary:

Mr. Smith asserts that the correction of transportation abuses should be left with the Courts [instead of a Commission]. Why not? The American people are justly proud of their judiciary. Why not leave these questions to that body? Why create a new tribunal to deal with them?

(e) Reply to Railway President—Procedure of Courts is Inadequate.

The fundamental objection is that *the Courts cannot apply an adequate remedy.* The payment of damages is no remedy for an excessive or a discriminative rate, for the reason that the person ultimately injured is not usually the one who pays the rate and who could therefore recover the damages. There are many other reasons why a suit at law can afford no relief for wrongs of this character. Some of those reasons were referred to in my original article; and their correctness has not been challenged by Mr. Smith. *They all point to the conclusion that* THE ONLY REMEDY FOR AN IMPROPER RATE IS TO CHANGE THE RATE ITSELF. That does exact justice to everybody, and injustice to no one. Mr. Smith does not deny this.

Now, the Courts of the United States cannot apply this remedy. Under our Constitution their functions are entirely judicial. The Supreme Court holds that to prescribe a rate or any rule or regulation which enters into a rate is an administrative function belonging properly to the legislative department, with which the Federal Courts cannot interfere. When the rate has been prescribed by a Commission, the Court may say that this rate is not a just and reasonable one; but it cannot say what would be just and reasonable. This is the cardinal reason why the Federal Courts cannot be charged with such duty.

There are other reasons of convenience, so to speak, not equally controlling, but still of great significance. The very nature of a Court, the character of the questions with which it ordinarily deals, and the manner of dealing with those questions, are such that from the very thing itself it cannot be a satisfactory regulating body. [Experience demonstrates that this is so.]

History of Regulation of Rates in England.

In 1848 the English people began to look about for some means of governmental supervision over its railways; and for this purpose a bill was proposed in Parliament giving to the Courts of England certain powers of control. At that time Lord Chancellor Cottenham said from the woolsack that all of his associate judges except one were decidedly of the opinion that *the Courts were not the proper body upon which to impose that duty.* Nevertheless, the measure passed; and from 1848 to 1873 the only railway supervision in England rested with its judges. This method of regulation proved, however, to be *entirely unsatisfactory;* AND IN 1873 A COMMISSION WAS CREATED for the purpose of exercising the above-mentioned functions. The Commission, which was at first appointed for a period of *four years,* was subsequently *made permanent;* and from time to time its POWERS HAVE BEEN AUGMENTED, BUT NEVER DIMINISHED.

Small Shipper Versus the Railway Company.

As a rule, it is the great shipper who enjoys the preference, and the small shipper who complains. Between the latter and the railway there can be no legal contest. *Ordinarily he dare not even begin a proceeding, for fear that the little advantage which he has may be taken from him, and that he may be crushed out altogether.* Mr. Smith insists that he and the shipper should be left to settle their own difficulties; if the shipper does not like the medicine which is prescribed for him, let him apply in regular course to the Courts and obtain his remedy there. Let me, urges Mr. Smith, deal with this gentleman myself. Let me array against the little farm or the little store of my patron the $170,000,000 capital and the $20,000,000 revenue of the railroad which I operate, and there will be no serious trouble.

Said a great enemy of Rome, in reference to the conduct of that nation over its subjugated provinces, "She makes desolation, and calls it peace." *If all railway regulation were remitted to the Courts, quiet would undoubtedly reign along the line of the Louisville & Nashville.*

Nothing could more strongly emphasize the impotency of the Courts in this

respect than the fact, which Mr. Smith himself states, that IN NO CASE HAS A RECOVERY OF AN EXCESSIVE FREIGHT RATE EVER BEEN OBTAINED IN ANY COURT OF THE UNITED STATES. Although the wrongs under which the people of this country have labored in the past, by reason of unjust exactions from its railways, have raised up and overturned political parties, and although railway rates have been enormously reduced by the direct enactment of Legislatures and the action of Commissions, still there is no case on record where the Courts have been resorted to for relief.

Mr. Smith asserts that the question of excessive rates is obsolete, that there are no such rates at the present time in the United States. If this be true, it ends the debate; for, if no question of excessive rates exists, then it is the height of folly to spend time in discussing a remedy for such rates.

Mr. Prouty then proceeds to quote cases in which the Supreme Court of the United States has held that rates are excessive, but *everyone knows that there are excessive rates, and also that there are discriminations.* Proof is as follows:

C. Trusts.

(*For Analysis see page 59.*)

1. CAUSES.

a. Effect of Discrimination in Railway Rates a Leading Cause: Statement by Judge Prouty, of the Interstate Commerce Commission.

(1) GENERAL STATEMENT.

Hon. Charles A. Prouty, of the Interstate Commerce Commission, testified before the United States Industrial Commission, October 5, 1899, in the course of which he said:

"The more you gentlemen [of the Industrial Commission] look into it, the more you will decide that the most important subject which you have to consider, or which can be considered, in connection with the industrial operations of the country, is the FREIGHT RATE. I DO NOT THINK THERE IS ANYTHING TODAY WHICH SO CONTRIBUTES TO BUILD UP THE TRUSTS AND MONOPOLIES OF THIS COUNTRY, which you gentlemen are investigating, AS THE FREIGHT RATE. I am not talking about this epidemic of combinations that is sweeping over this country now, which embraces a great many subjects into which the freight rate does not enter; but I DO NOT BELIEVE THAT THERE IS A GREAT TRUST TODAY ANYWHERE—that is to say, in any one of the staple commodities handled in this country—WHICH COULD HAVE ESTABLISHED OR MAINTAINED ITSELF IN THE FACE OF ABSOLUTE EQUALITY OF THE FREIGHT RATE.

"I do not mean by that that every monopoly has a rebate. I do not mean by that that every monopoly enjoys some concessions in *the rate;* but I mean if you would strip these great combinations of all dominion over, and of all participation in, *the making of the freight rate,* NOT ONE OF THEM WOULD BE A VERY DANGEROUS ELEMENT IN OUR SOCIAL POLITY."

A more detailed statement of the foregoing by Commissioner Prouty is set forth by him in his evidence before the United States Industrial Commission, and later was placed by him in more terse form and published in "The Annals of the American Academy of Political and Social Sciences," January, 1900. The following is Commissioner Prouty's statement:

(2) ELEMENTS IN MONOPOLY.

(a) Cumulative Effects of Small Sums.

Where a corporation or other firm can secure a small sum on each ton of product handled, it amounts to a very large sum if the tonnage is large. In other words, *the cumulative effect of what are apparently trifling sums, is tremendous.*

(b) Narrow Margin Between Competitors.

"There must be kept in mind [said Commissioner Prouty] the extremely narrow margin upon which business is transacted at the present day. Some recent investigations of the Commission

have presented this in a most striking light. Flour is today ground in this country upon a margin of 2 or 3 cents per hundred pounds, from 4 to 6 cents a barrel. Coal in large quantities is handled from the mine to the consumer at a profit of 5 or 10 cents per ton. One-half cent a bushel is a fair profit on grain. Such is the sworn and undisputed testimony.

"Let the meaning of this as applied to the freight rate be clearly apprehended. IT MEANS THAT IF THE GRAIN DEALER CAN BY ANY DEVICE SECURE AN ADVANTAGE OVER HIS COMPETITOR OF ½ CENT A BUSHEL, HE THEREBY ACQUIRES THE MARKET AS AGAINST THAT COMPETITOR. IF ONE MILLER CAN DELIVER HIS FLOUR AT 2 CENTS PER 100 POUNDS CHEAPER THAN THE COMPETING MILLER, HE GRINDS AT A PROFIT WHILE HIS COMPETITOR DOES BUSINESS FOR NOTHING. A CONCESSION OF 10 CENTS PER TON IN THE FREIGHT RATE ON COAL DETERMINES ABSOLUTELY WHO SHALL AND WHO SHALL NOT HANDLE THE PRODUCT OF A PARTICULAR MINE OR A PARTICULAR LOCALITY. THE SAME IS TRUE OF OTHER COMMODITIES."

(c) Transportation Lines and Unequal Conditions as to Competitors.

"A monopoly [continued Mr. Prouty] is, by its derivation and in its simplest definition, the giving to one in the sale of an article *an advantage which all do not possess.* Let it be observed that in the production and handling of the staple commodities ABOUT THE ONLY POINT AT WHICH SUCH ADVANTAGE CAN BE OBTAINED IS IN THE AGENCIES OF TRANSPORTATION. Grain is an article of prime necessity. Everybody can raise it; everybody can buy it; everybody can grind it; everybody can sell it; but it must be transported from the railway station of the producer to that of the consumer, often by one route, at most by few routes, and the expense of this transportation is usually a considerable part of its price to the consumer. So with most of the prime necessities of life. *Ordinarily the means and methods of competition must be open to all alike;* THE AVENUES OF TRANSPORTATION ARE THE EXCEPTION.

"Consider next how preferences are or may be granted in transportation.

(d) How Unequal Freight Rates Are Secured.

"The obvious and simple way is by the giving of a *special rate* or by the *payment of a rebate.* Previous to the enactment of the Act to Regulate Commerce *this was the usual method.* THAT ACT MADE THE GIVING OF A LOWER RATE TO ONE SHIPPER THAN WAS ACCORDED OTHERS A CRIME. Both the carrier who grants the special rate and the shipper who receives it are liable to fine and sometimes imprisonment. *This necessarily worked a change in the method of granting such preferences.*

"First, the tendency is to seek some less obvious method than the payment of a rebate under that name or the giving of the special rate as such. IN THIS VIEW MANY DEVICES HAVE BEEN ADOPTED. These sometimes take the form of an *elevator commission;* sometimes *an excessive car mileage;* sometimes the shipper pays the full interstate rate in consideration that he shall receive *preferential rates within the State to which the Interstate Commerce Act does not apply.*

Second, *the effect is to reduce the number of persons with whom these transactions are had* TO A MINIMUM. The fewer people who are engaged in the commission of these crimes, the less the risk of detection. *The tariff manager prefers to deal with one rather than many.* [And the trust fulfills this requirement.] The central idea of the trust is the combination of large amounts of capital in enormous transactions. It has money with which to build elevators and cars. It has traffic in all directions and under all conditions. It lacks apparently the sense of right and wrong which might actuate its agents if they were acting as individuals. Many trusts go further. *They demand concessions which the carrier* DARE NOT REFUSE for fear of the punishment which may be inflicted *by the withdrawal of traffic.* Not long ago a prominent railroad president wrote to a friend who was a small packer: 'I hope the time will come when I can give you the same rate as your great competitor, but today I cannot.'"

(e) Conclusion.

"Now, putting these facts together, (1) the great effect of the small concession, (2) the narrow margin on which business is handled, (3) the opportunity and inducement of the railway to prefer one shipper to another, and (4) the manner in which that preference must be exercised, what should we naturally expect?

"Should we not expect that the great shipper, and that today is usually the

trust, would enjoy these preferences at the expense of the small shipper, and that this preference, while small, a single cent as applied to a bushel of corn, two or three times that upon a hundred pounds of merchandise, would give the market to the one receiving it? These small sums often represent more than the entire market upon which the business is transacted, and are in the aggregate millions of dollars annually. *The unavoidable result must be* TO EXCLUDE THE SMALL COMPETITOR FROM THESE OPERATIONS AND TO CENTER BUSINESS IN THE HANDS OF THE LARGE COMPETITOR.

"And what is the fact?

(3) HISTORY OF FREIGHT DISCRIMINATIONS.

"It is well known that for years past a large portion of the competitive railway traffic of this country, especially those articles which are moved in large quantities and in the handling of which a small amount in the freight rate is of great consequence, HAVE NOT BEEN MOVED UPON THE PUBLISHED RATE. It is an equally well known fact that DURING THE SAME TIME THE TENDENCY HAS BEEN TO CENTER THE HANDLING OF THESE ARTICLES IN THE HANDS OF COMPARATIVELY FEW PERSONS. The United States exports annually enormous quantities of grain, *but you can count upon your fingers the concerns which bring the bulk of it to the American seaboard.* We are told that grain upon the Chicago market *is handled by a half dozen concerns.* It is brought from the fields west of Chicago into the city *by as few.* ONE COMPANY BUYS UPON ONE LINE OF RAILWAY AND NOBODY ELSE CAN BUY THERE. ANOTHER UPON ANOTHER LINE. EXACTLY THE SAME THING IS TRUE OF BEEF, PORK, LARD, PROVISIONS AND ALMOST ALL THOSE COMMODITIES WHICH ARE THE NECESSITIES OF LIFE.

Grain Trust.

Trusts In Other Products.

"Is there any connection between these facts? *Is the discrimination in the freight rate responsible for the concentration of business in the hands of the few?* THERE CANNOT BE THE SLIGHTEST DOUBT OF IT. NO PERSON AT ALL FAMILIAR WITH THE SITUATION HAS ANY OTHER OPINION. Freight rate discriminations are the most potent factors in the establishment and continuance of great combinations of capital at the present time. It may be doubted if a single one of those monopolies which have fastened themselves upon the country in recent years could have done so in the face of absolute equality in the freight rate. I do not now speak of this epidemic of combination which has swept over the business world in the last eighteen months, but of those so-called trusts in the essentials of life. STRIP THESE GREAT COMBINATIONS OF ALL PARTICIPATION IN AND ALL DOMAIN OVER THE FREIGHT RATE AND YOU TAKE AWAY FROM THEM THE MOST IMPORTANT ADVANTAGE WHICH THEY POSSESS."

(4) STILL MORE DETAILED STATEMENT AS TO DISCRIMINATIONS IN FREIGHT RATES—STANDARD OIL MONOPOLY ANALYZED.

After concluding the foregoing statement, Commissioner Prouty says:

"But how about the Standard Oil Company? The representatives of that combine stated under oath before the Industrial Commission that *since the enactment of the Interstate Commerce Law of* 1887 *it had received no rebates and accepted no special rates.* Here, then, is this typical trust, this, to the popular apprehension, arch-monopoly, which flourishes although it pays the open rate.

The representatives of the Standard Oil Comany stated that *before* 1887 *it received rebates* in common with other shippers. The good fortune of that company in those days was that *its concessions far outran those of its rivals.* It is generally understood that the genesis of that institution was railway favoritism. *Its competitors assert that it derives just as real assistance from the manipulation of freight rates* TODAY *as it ever has.*

Departure from the published tariff is not by any means the only method of railway preference. *The most grievous discriminations are often occasioned through* THE MAL-ADJUSTMENT OF THE RATES THEMSELVES. It is in this manner that the Standard Oil Company is said to obtain its advantage today.

Discriminations in Roundabout Ways.

(a) THE HARTFORD AND NEW HAVEN RAILWAY.

"For the purpose of illustration, take what is called New Haven territory; that is, the territory controlled by the New York, New Haven & Hartford Railroad Company, embracing the southern part of New England. This territory upon most commodities takes substantially the Boston rate. A comparison of these rates in 1887 with present rates *reveals a peculiar fact.*"

Mr. Prouty then proceeds to point out the method whereby the railway rates are so manipulated as to shut the independent oil refining companies from the territory reached by the Hartford & New Haven railroad. *It is through the making of a low rate for oil that is shipped in "tank boats to East Boston and thence distributed." The Standard Oil Company is located at this point and is thus given a preference, and the result is that the independent refiners are shut out from "the territory controlled by the New York, New Haven & Hartford Railroad Company, embracing the southern part of New England."*

"This is an illustration [says Commissioner Prouty] of one method by which the adjustment of the freight rate helps the Standard Oil Company against its competitors. For another and different way, take the comparative rates on petroleum and its products from Cleveland and Chicago to New Orleans and corresponding territory."

(b) SOUTHERN RAILWAYS.

Mr. Prouty then points out that the Standard Oil Company has extensive refining works at Whiting, Ind., near Chicago, and that there are no independent refiners in that vicinity. By reason of this fact *the Standard Oil Comany secures discriminating rates by getting the railway companies to make a cheaper rate on oil from Chicago to New Orleans and other points* THAN IS MADE FROM ANY OTHER PLACE WHERE INDEPENDENT REFINERS ARE SITUATED.

Continuing, Commissioner Prouty says:

(5) THE LESSON TO BE LEARNED.

"Attention is not called to these facts for the purpose of stirring up sentiment against trusts in general or the Standard Oil Company in particular. With much of this sort which is said, I have no sympathy. The Standard Oil Company, so far as I have observed in the department with which I have to do, is no worse than other trusts, nor so bad as many. These discriminations, if they are discriminations, to which I have called particular attention, are purely business propositions. The New Haven road puts in these tariffs because more revenue is yielded by them. Doubtless the Cleveland lines are compensated in some other way for the loss of traffic from there. The rates, such as they are, are open.

"What I desire is to emphasize the fact that such discriminations do exist; *to fasten attention upon the importance which they play in the upbuilding and maintaining of those great aggregations of capital which are thought to threaten the welfare of the body politic;* TO REITERATE THAT THEY ABSOLUTELY SHUT OUT THE SMALL SHIPPER. Before we adopt some of the radical measures which have been suggested in dealing with the trust, *before we amend the Constitution of the United States or enact laws which may impinge upon the rights of property or trammel our commercial development,* THIS PHASE OF THE QUESTION SHOULD BE LOOKED TO.

(6) THE PRESENT SITUATION.

(a) Commerce Commission Shorn of Power Over Railway Rates.

"Just what ought to be done with the monopoly may be a grave question, but that our railways, those arteries through which the commercial life blood of this great nation flows, *should be open to great and small alike, admits of no doubt, and* THAT THEY ARE NOT SO OPEN ADMITS OF AS LITTLE DOUBT.

"It may be asked why the Interstate Commerce Commission does not prohibit these rate inequalities, thereby securing equal treatment for all shippers. The answer is that it is powerless to do so for reasons which have been often stated. The cardinal purpose of the Act to Regulate Commerce is to secure equal treatment for great and small, *but without the necessary amendments the beneficent provisions of that act are a nullity.*"

(b) Adminstraiion Has Refused to Restore Power to Interstate Commerce Commission.

The foregoing statement by Commissioner Prouty is simply a re-statement of the annual report of the entire Interstate Commerce Commission. The power to regulate rates was taken from it in 1897 by the Supreme Court, and *since then the McKinley Administration has refused to restore the power to enforce equality between shippers, and between localities, and to prevent excessive rates.*

The Administration, in order to deceive the voters, presented a bill in Congress asking that the Constitution of the United States be amended in order that trusts might be controlled! This was done, while the petition from the Interstate Commerce Commission was pigeonholed. Furthermore, at each session since the McKinley Administration has been in power the bill to restore power to the Interstate Commerce Commission has been sidetracked, and an effort made to put through the bill championed by the railways, and which Mr. Prouty has so graphically described.

(c) The Democratic Party is Pledged to Restore Power to the Interstate Commerce Commission and to Increase Its Powers.

On the other hand, the members of the reform parties in Congress have endeavored to restore power to the Interstate Commerce Commission; and Mr. Bryan has actively championed the passage of such a law. The Kansas City platform declares:

DEMOCRATIC PLATFORM.

We favor such an enlargement of the scope of the Interstate Commerce Law AS WILL ENABLE THE COMMISSION TO PROTECT INDIVIDUALS AND COMMUNITIES FROM DISCRIMINATIONS AND THE PUBLIC FROM UNJUST AND UNFAIR TRANSPORTATION RATES.

The effect of preventing railway discriminations will, in the opinion of the Interstate Commerce Commission—and they ought to know—*take from nearly all the trusts their power to control prices.* The undue raising of selling prices and the undue bearing down of buying prices are the principal evils in the trusts. Other evils, such as political action, will be discussed later, and the remedy in the Democratic Platform will be pointed out.

(d) Further Proof as to Freight Discrimination.

(a1) THE McKINLEY ADMINISTRATION FOSTERS THE TRUSTS.

In the 54th, 55th and 56th Congresses bills were introduced in the Senate and House empowering the Interstate Commerce Commission to control freight discriminations. They were referred to committees *but never reported, except in one instance* (the bill presented by the Interstate Commerce Commission, Senate Bill No. 1439), *and then the report was adverse.* The date of this adverse report was the 27th of last April.

This was set forth in a circular letter by the League of National Associations, April 25, 1900, with postscript dated the 27th.

(b1) RAILROAD ATTORNEYS ON RAILROAD COMMITTEE OF SENATE.

"It may be instructive," continues the League of National Associations, "to consider the personnel of the committee to which all legislation affecting transportation must go, before it can even come to the attention of the United States Senate. There are: Senator Wolcott, of Colorado, general counsel of the Denver & Rio Grande Railway; Senator Gear, of Iowa, father-in-law of J. W. Blythe, general solicitor of the Chicago, Burlington & Quincy Railway System (who has been here for a time); Senator Lindsay, of Kentucky, formerly counsel for the Louisville & Nashville Railway; Senator Elkins, of West Virginia, Vice-President of the West Virginia Central & Pittsburg Railway; Senator Kean, of New Jersey, closely allied as a capitalist with the Pennsylvania Railway; Senator Aldrich, of Rhode Island, as closely allied with the railway and corporation interests of his section. These gentlemen (a majority of the committee) are all understood to be violently opposed to the bill. They naturally would be. Some have not even deigned to attend the hearings upon it; others go so far, when speaking of the railroads in committee, as to use the pronoun 'we.'

"The remaining members of the committee are: Senator Cullom, of Illinois; Senator Chandler, of New Hampshire; Senator Tillman, of South Carolina, and Senator Chilton, of Texas, all favoring the bill, and Senator Allen, of Nebraska, who desires Government ownership of railways, but will support the bill under consideration."

Senator Chandler, because of his favoring the bill to control railway rates, is to be kept from a re-election. In a statement Oct. 5, 1900, he says: "We regard with alarm the invasion of our State by the great railroad trust. Give these men arbitrary power and no man, be he Democrat or Republican, can receive recognition in New Hampshire *unless he wears the collar of a powerful and insolent corporation.*"

(c1) REPUBLICAN LEADERS ARE AGENTS OF THE TRUSTS.

In its circular letter, Feb. 25, 1900, the League of National Associations says:

"While this is not a question of politics or party thus far, it may easily become such, if the party in power, having been given ample opportunity to afford relief to shippers and enact this most important anti-trust measure, shall clearly demonstrate its subservience to railroad domination and throttle the bill in committee.

"I believe that at present the Bill S. 1439 IS OPPOSED BY THE REPUBLICAN NATIONAL COMMITTEE, ESPECIALLY BY ITS CHAIRMAN, AND BY A MAJORITY OF THE SENATE 'STEERING COMMITTEE.' This opposition, though apparently formidable, may be overcome. . . . Pressure should be brought to bear upon the Republican committeeman from each State to convince him that it will be a fatal error for the National Committee to suppress this legislation, which is so near to the hearts of the people."

(d1) WHO SUPPORTS THE DEMAND FOR EQUAL RIGHTS IN FREIGHT RATES?

National Organization.

The League of National Associations in its circular letter of April 25, 1900, speaks of "its constituent supporters, practically all of the national associations of producers, manufacturers and traders of the United States, such as: The National Grange, Patrons of Husbandry, the National Hay Association, the National Live Stock Association, the National League of Commission Merchants, the Millers' National Association of the United States, the National Board of Trade, the National Association of Manufacturers of the United States, the National Business League, the National Wholesale Lumber Dealers' Association, the Carriage Builders' National Association, National Wagon-Makers' Association of the United States, National Association of Stove Manufacturers, National Wholesale Grocers' Association, National Hardware Association of the United States, National Paint, Oil and Varnish Association, National Association of Marble and Granite Dealers, National Association of Firebrick Manufacturers, National Coopers' Association, etc."

Statement by Secretary Barry.

Mr. Frank Barry, Secretary of "the League of National Associations," testified before the Senate Committee on Interstate Commerce, Jan. 26, 1900. Speaking of the bill to prevent freight discriminations he said:

"*This is the greatest anti-trust law that Congress can place upon the statute books,* BECAUSE IT STRIKES AT THE CONDITIONS WHICH MAKE THE INDUSTRIAL TRUST POSSIBLE.

"*Without the favors in transportation which are not only granted to, but are often forced by, the great trade and manufacturing combinations,* THEY COULD EXIST ONLY WITH GREAT DIFFICULTY AND MUST FINALLY SUCCUMB TO THE SUCCESSFUL COMPETITION OF INDEPENDENT MANUFACTURERS AND TRADESMEN.

"The very broad public sentiment existing, favorable to this legislation, is mirrored in the press of the land at the present time. Leading editorials and lengthy statistical arguments for this bill have appeared in the foremost daily and periodical publications of our principal cities.

"Commercial organizations throughout the entire country have taken an active interest in supporting this movement and indorsing the bill, such as they were never before known to evince in any subject.

"A conference of national associations of manufacturers and shippers was held at Chicago, Ill., on Nov. 22, 1899, to consider the proposed amendments and devise ways and means to insure their

passage by Congress. The following organizations were there represented: The Millers' National Association of the United States, the National Association of Manufacturers of the United States, the National Business League, the National Board of Trade, the National Transportation Association, the National Live Stock Exchange, the United States Brewers' Association, the Vapor Stove Manufacturers' National Association, National Hay Association, National Association of Freight Commissioners, and others.

"Letters were presented to the conference from some twenty national commercial organizations heartily commending the purpose of the meeting and the proposed effort; also expressing willingness to co-operate in securing the desired amendment of the interstate commerce act.

"This conference, after carefully considering the bill section by section, approved it in every respect as a whole, and adopted the following:

RESOLUTIONS BY CONFERENCE OF NATIONAL ASSOCIATIONS.

"'*Whereas, the revision of the interstate commerce act is one of the most pressing duties of the incoming Congress;*

"'Whereas, we believe that the long delay—so damaging to all classes of business—in passing a bill for that purpose is due principally to the fact that there has been no specific or authentic expression of the wants of the different interests affected;

"'Whereas, we, the representatives of national industrial and commercial organizations, embracing shippers of all classes, in conference assembled, have had under consideration a bill to amend the act to regulate commerce, which was prepared by the Interstate Commerce Commission, and, after careful and deliberate discussion of all of its provisions, *have agreed that the enactment of this bill will go far toward relieving the commercial situation by strengthening the commission and making clear the duties and obligations of carriers and shippers alike;* Therefore,

"'Resolved, First. That we approve said bill and earnestly request its passage by Congress.

"'Second. That a copy of said bill, together with a copy of these resolutions, be sent by the Secretary of this conference to the President of each national industrial and commercial organization in the United States, with the request that such organizations send at once their approval of said bill to the Interstate Commerce Committee of the Senate and the Commerce Committee of the House, and urge early action on the same by said committees.'

NATIONAL ORGANIZATIONS.

"I wish to say here that there are about fifty-nine national commercial organizations, all of which were communicated with, and with scarcely an exception we have their replies, stating that we might count them in on this movement, and expressing their approval of the bill in all of its terms.

"Since that time these national organizations have taken up the subject of the desired amendments with their memberships, and in convention have expressed the most hearty and unqualified approval of this bill. They have been joined in the movement by the National League of Commission Merchants, the National Wholesale Grocers' Association, American Association of Flint and Lime Glass Manufacturers, National Paint, Oil and Varnish Association, National Hardware Association, National Association of Stove Manufacturers, and many others, beside local, State and interstate organizations, boards of trade, etc., too numerous to mention.

"You will undoubtedly receive from these bodies certified copies of the many resolutions indorsing this bill and urging its passage.

"Many of these associations have circulated petitions among the trades which they represent asking this legislation, addressed to their members of Congress, and you will hear from them when the time comes for action upon the bill.

"I present these facts in order to impress upon you the strength and earnestness of the people's desire for the legislation which we ask.

"I appear as the representative of the allied national organization in this movement, the League of National Associations, and will not attempt to present the practical side of the difficulties experienced by shippers with the existing law. Several of the associations interested have representatives present, who will submit for your information their ideas, experiences and desires with relation to amending the interstate commerce act.

"Just a word as to what these national associations are: Some of them

are composed of State or sectional organizations, which in turn comprise in their membership the great majority of those carrying on the particular line of business in their respective territories. Of these, the Millers' National Association is a type. Nearly all of them are associations of subsidiary organizations of one kind or another which are located in all parts of the United States. None of these associations are small. They all fully represent what their names import—the persons, firms, companies and corporations who produce the immense commerce and carry on the great industries of the United States, with a working capital actually invested beside which the enormous stated capitalization of the railways is not formidable. These representative national societies are formed for the main purpose of protecting the trade and industry of this country, and it is no new thing to find them appealing to the Congress of the nation for remedial legislation. Two or three industrial combinations, which have reached such proportions that they are able to dominate and control the railway interest and railway rates, are not with us. With those exceptions the supporters of this measure, as represented in these organizations, are practically all of the farmers, all of the manufacturers, all of the merchants, all of the general traders and dealers of the United States." (Pages 1 to 7, Hearing of Jan. 26, 1900.)

Chicago Board of Trade Resolution.

Feb. 27, 1900, "the Board of Directors of the Board of Trade of the city of Chicago" declared:

"WHEREAS, It is the practically unanimous opinion of men competent to judge, as expressed in private conversation—in public speeches—in carefully prepared newspaper and magazine articles—and in testimony given before congressional or other committees of inquiry—*that no combination of capital*, whether in the hands of individuals, firms or corporations, *is dangerous to the public welfare*, UNLESS THE PARTIES CONTROLLING SUCH CAPITAL, ARE GIVEN AN UNDUE ADVANTAGE, BY MEANS OF RAILROAD RATES OR SPECIAL TRANSPORTATION FACILITIES WHICH ARE DENIED TO THEIR COMPETITORS AND THE GENERAL PUBLIC;

* * * * *

"*And Whereas*, There is now pending in Congress a bill known as Senate Bill No. 1439—amending the Interstate Law, and which has been so carefully drawn under the light of the decisions of the United States Courts, that if enacted into law, it is confidently expected will so strengthen the Interstate Commerce Law that it will fulfill the purposes for which it was originally intended; and that the Interstate Commerce Commission, acting under it, will be able to protect the honest railroad corporations from the cut-throat rates of unscrupulous competitors, *as well as from the rapacity and greed of hitherto 'favored shippers,' and at the same time will be able to secure to the general public the same fair and equal treatment at the railroad ticket and freight offices of the country which they now receive at its postoffices and custom houses, and to which by law they are entitled.*

"*Now, therefore, Resolved*, By the Board of Directors of the Board of Trade of the City of Chicago: *That the speedy enactment into law of Senate Bill No.* 1439 *IS DEMANDED BY* EVERY CONSIDERATION OF THE PUBLIC WELFARE; and we do therefore respectfully but earnestly petition the Congress of the United States to pass this bill at its present session."

Millers' National Association.

Mr. Augustine Gallagher, Commissioner of the Millers' National Association, in his testimony before the Senate Committee, said:

"Mr. Chairman, in asking your approval of this bill we hold that we represent the demands of the people, the toiling and striving millions, who seek only common justice and fair play. We bespeak for those who, finding themselves unable to defend themselves against the encroachment of power exercised by centralized wealth and unjust transportation advantages, *the defense of law provided for in the Constitution.* This is no more than their due, and so much they may be expected to demand. . . . The encroachment of common carriers upon the rights of private citizens has been continuous and unrelenting for many years *and has of late become so oppressive and alarming that the general public, in the hope of self-preservation, must appeal to the law-making power of the land for protection and relief.* Not satisfied with control of the forests and mines along their lines, the carriers HAVE SOUGHT TO, AND DO, IN THE LARGER AREA OF THE

COUNTRY, CONTROL ABSOLUTELY THE MOVEMENT AND VALUE OF THE PRODUCTS OF THE SOIL. They have now invaded the household and the farm and are ambitious to be the dictators of the ballot." (Pages 12-13 of Hearing, Jan. 26, 1900.)

National Association of Manufacturers.

Mr. E. P. Wilson, Secretary of the National Association of Manufacturers, testified before the Senate Committee on Interstate Commerce, Jan. 26, 1900, and among other things said:

"The National Association of Manufacturers embraces some twelve hundred of the leading manufacturers of the United States, in all branches of industry and production, comprising the millers as well as the spinners and the ironmakers, and all the diversified products of American industry. Their relations with the carrying interests of the country are intimate and mutual and, as a rule, harmonious. Therefore in the declarations of our association at its different sessions there has never been any sentiment that should be characterized as anti-railroad sentiment. It has put forward some declarations in the interest of the industrial classes who are shippers as well, which are dealt with in the measure now before you. . . . Their declaration is in favor of the underlying principles of this law. [Interstate commerce law.] Based upon the experience of many shippers who are members is the belief that the law requires amendment to give it vitality. . . . Under existing circumstances the commission, which stands in the attitude of the representative of the United States as between the carriers and the shippers, is absolutely without power to give any effective utterance or opinion or to lay down any effective rule. Therefore there seems to be a necessity for reconstruction of the law which will enable the Interstate Commerce Commission to do something definite." (Pages 47-48 Hearing, Jan. 26, 1900.)

National Business League.

Mr. La Verne W. Noyes, of Chicago, in a hearing before the Interstate Commerce Commission of the Senate, said:

"I represent the National Business League, and appear in behalf of the league for the purpose of making this statement:

"The representatives of some thirty associations of business men in different parts of the country, including this league, have approved, section by section, Senate Bill 1439, introduced by Senator Cullom, for the revision of the interstate commerce law; and I am here, at the request of the league, to ask you to report that bill favorably and promptly to the Senate. . . .

"The National Business League has been in correspondence with organizations of business men in nearly every State and has failed to find one which does not favor the legislation proposed in this bill. . . . To provide for a classification of freights, uniform for all transportation companies and all parts of the country, has been found absolutely essential, and is demanded by shippers of every class and wherever located." (Pages 59-61, Hearing, Jan. 26, 1900.)

National Board of Trade.

Mr. Edward P. Bacon, of Milwaukee, testified before the Senate committee, Jan. 26, 1900. He said:

"I appear before this committee as one of the members of the committee of the National Board of Trade who had the matter of the interstate commerce act under consideration and whose report was adopted by the National Board with one dissenting vote, including the addition recommended by the National Board of Trade to the Senate Bill 1439, *besides recommending the adoption of that bill in its entirety.* I also represent the Milwaukee Chamber of Commerce, which has had a case pending before the Interstate Commerce Commission for the past six years. . . . Representing the National Board of Trade, I will say we hope very much that that bill will be reported to the Senate at the earliest possible moment, and, as representing the Milwaukee Chamber of Commerce, we hope that, by the enactment of this bill, we may find a means of redress *from this oppression to which we are still subjected.*" (Pages 61, 68, Hearings, Jan. 26, 1900.)

Produce Exchange of Toledo.

Mr. Denison B. Smith of the Toledo Produce Exchange thus testified before the Senate committee:

"The railways have, for a long time, been carriers of products to the seaboard . . . of exportation at a less rate than for American consumption. . . . I do not hesitate to denounce the system as unrighteous and unsustained by a shadow of necessity of any nature whatever. . . . This lower export rate is an unjust system to our

own Eastern consumers, and it does not benefit Western producers, for the reason that the current or higher rate is made the basis of all the purchases. It is un-American—and more, it is anti-American. It is one of the devices for extending to one class of shippers preferences and rebates against the interest—positively against the interest of another class of shippers, and that is the key to the strong support of it before a late session of the Interstate Commerce Commission by this very class of shippers. How does the Interstate Commerce Commission know—how does any one know save the parties interested—how much, if any, of the property carried to the seaboard at this lower rate is exported? There is no attempt to preserve the identity of the commodity. It goes by rail east, or by water and rail to Montreal, to Erie, anywhere, and attempts or designs to trace the property to an ocean vessel are not a part of the transaction. It is very adroit and up-to-date as a clever, specious subterfuge for a private rebate." (Pages 69, 70, Hearings, Jan. 26, 1900.)

Bureau of Freight and Transportation of Charleston.

Mr. John A. Smith of the Bureau of Freight and Transportation of Charleston, S. C., thus testified before the Senate Committee:

"We in the Southeast have been suffering from the most arbitrary, reckless, shameless, unwarranted system of artificial railroad rates that exists in the United States. That statement does not rest merely upon the whim or fancy of the people of Charleston. It is backed up and supported by the testimony of railroad people themselves; by the officers of the Central Freight Association, with headquarters in Chicago; by general freight agents of the railroads north of Chicago, which denounce in more severe language than has been done by the people of Charleston the outrageous system of railroad rates which are made south of the Ohio River toward the entire Southeast." (Pages 74, 75, Hearing, of Jan. 26, 1900.)

National Association of Freight Commissioners.

Mr. L. B. Boswell, of Quincy, Ill., Secretary of the National Association of Freight Commissioners, filed with the Senate Committee a statement that his association had instructed him to inform it that a resolution had been adopted Jan. 20, 1900, indorsing the bill to prevent discriminations, etc. (Page 58, Hearings, Jan. 26, 1900.)

National Live Stock Association.

Mr. T. W. Tomlinson, of Chicago, testified before the Senate committee, March 23, 1900. He said:

"I will preface my remarks by submitting some resolutions that have been adopted. One by the National Live Stock Exchange, which embraces the various live stock exchanges at Chicago, Sioux City, South Omaha, Indianapolis, East St. Louis, Pittsburg, Milwaukee, South St. Paul and Louisville, indorses this bill.

"It was unanimously adopted at a meeting of the Executive Committee of that exchange on the 13th day of February, 1900, and is as follows:

" 'Whereas, the National Live Stock Exchange recognizes that as the safeguard afforded by free competition is being gradually eliminated the public has greater need than ever of effective governmental regulation of railroad rates; that the natural competition among carriers has become minimized by the growing centralization of railroads into large systems dominated by a few financial interests; that certain court decisions have practically made the interstate commerce law nugatory and has shorn the Interstate Commerce Commission of any adequate powers or proper supervision over railroad rates and charges; *that Congress has too long deferred action on this important matter;* and

" 'Whereas, there is now pending in Congress a bill to amend an act entitled "An act to regulate commerce," known as Senate Bill No. 1439, which seeks to correct the defects in the present law and give to the Interstate Commerce Commission adequate power to fix rates, correct preferences and discriminations, and make their decisions of legal significance; Therefore, be it

" '*Resolved*, That the National Live Stock Exchange, *representing the live stock industry of this country, indorse said Senate Bill No.* 1439, *and urge upon Congress the importance of its early and favorable consideration of this much-needed legislation.*

" 'EXECUTIVE COMMITTEE OF THE NATIONAL LIVE STOCK EXCHANGE.

" 'By W. H. THOMPSON, JR., President.

" 'Attest:

" 'C. W. BAKER, Secretary.'

(Page 19, Hearing, March 23, 1900.)

Wool Growers' Association.

Mr. Tomlinson also said:

"I also want to submit a resolution of the Pacific Northwest Wool Growers' Association and the Idaho Wool Growers' Association, adopted March 7 and 8 at a meeting at Boise, Idaho, indorsing this bill. It is as follows:

" 'Whereas, the live stock men of the West are vitally interested in securing equitable freight rates on live stock shipments and charges at the various Eastern markets; and

" 'Whereas, the Interstate Commerce Commission, created by the Federal Government for the expressed purpose of regulating these matters to the justice of all concerned; and

" 'Whereas, the Interstate Commerce Commission is under the present law powerless to enforce any of its rulings, and therefore powerless to render any material benefit to the growers and shippers of live stock; and

" 'Whereas, there is now before Congress a bill (Senate Bill numbered fourteen hundred and thirty-nine) which purposes to amend the present law so as to increase the power of the Interstate Commerce Commission to the extent desired; Therefore, be it

" '*Resolved*, That the Pacific Northwest Wool Growers' Association and the Idaho Wool Growers' Association, comprising the wool and sheep growers of Oregon, Washington, Montana, Idaho, Utah and Wyoming, in annual convention assembled at Boise, Idaho, March 7 and 8, 1900, hereby indorse Senate Bill numbered fourteen hundred and thirty-nine, and ask for its immediate passage; and be it further

" '*Resolved*, That we ask the members of our association to immediately correspond with their Senators and Members in Congress, requesting their assistance to this end; and be it further

" '*Resolved*, That the Secretary of the association be directed to send copies of these resolutions to the several Senators and Representatives in Congress from the States represented by this association.'

National Live Stock Association.

Mr. Tomlinson further said:

"I also have a resolution unanimously adopted by the National Live Stock Association at its annual meeting held at Fort Worth, Jan. 16 to 19, 1900. That is the association of which Mr. John W. Springer, of Denver, is President."

The Chairman: "Is the resolution a long one?"

Mr. Tomlinson: "Not particularly so. The resolution is as follows:

" 'Whereas, the National Live Stock Association recognizes—

"That competition among carriers has become minimized by the growing centralization of railroads into large systems, dominated by a few financial interests;

" 'That as the safeguard afforded by free competition is being gradually eliminated, the public has greater need than ever of effective Federal supervision and regulation of railroad rates;

" 'That the recent general and marked advance in rates, following a year of unexampled prosperity to the railroads, confirms again the belief that the public cannot rely upon the railroads, if left to themselves, to charge only what is fair and reasonable, and enables an intelligent forecast of the action of the railroads, when, by further consolidation, or by other agencies, competition becomes entirely stifled; and

" 'Whereas, to secure to the public rates inherently reasonable and to prevent undue and unjust preferences and discriminations, it is necessary that some tribunal be given absolute power over rates; and

" 'Whereas, certain court decisions have practically made the Interstate Commerce Commission law nugatory, and relegated the Interstate Commerce Commission to a position where it has no real power; and

" 'Whereas, there is now pending in Congress a bill to amend an act entitled "An act to regulate commerce," known as Senate Bill No. 1439, which contemplates the correction of defects in the present law and granting to the Interstate Commerce Commission adequate power to fix rates, correct preferences and discriminations, and giving a legal effect to their decisions; Therefore, be it

" '*Resolved*, That the National Live Stock Association in convention assembled, *representing the entire live stock industry of this country, and comprising in its membership all the various live stock and other organizations whose names are appended hereto, hereby approve and indorse Senate Bill No.* 1439, *and urge upon Congress the importance of the early and favorable consideration of this much-needed legislation.* (Signature, see next page.)

"'Oneida County Wool Growers' Association, Idaho; Colorado Cattle Growers' Association, Colorado; Kansas City Stock Yards Company, Missouri; Union Stock Yards Company, South Omaha, Neb.; Denver Union Stock Yards, Colorado; Pueblo Union Stock Yards, Colorado; Arizona Stock Growers' Association, Arizona; Fort Worth Stock Yards Company, Texas; South Omaha Live Stock Exchange, Nebraska; American Feeders and Breeders' Association, St. Paul, Minn.; Larimer County Stock Growers' Association, Colorado; Cattle Raisers' Association, Texas; Custer County Cattle Growers' Association, Colorado; Stock Feeders' Association, Eastern Routt County, Colo.; Sioux City Stock Yards Company, Iowa; Sioux City Live Stock Exchange, Iowa; Live Stock Sanitary Board, Arizona; Saguache Stock Growers' Association, Colorado; Kern County Cattle Growers' Association, California; Western South Dakota Stock Growers' Association, South Dakota; Live Stock Exchange, St. Joseph, Mo.; South St. Joseph Stock Yards Company, Missouri; Utah Wool Growers' Association, Utah; Southern Colorado Stock Growers' Protective Association, Colorado; American Hereford Cattle Breeders' Association, Missouri; Union Stock Yards and Transit Company, Chicago, Ill.; State Sanitary Board, New Mexico; State Veterinary Board, Colorado; Live Stock Association, North Dakota; Fort Collins Sheep Feeders' Association, Colorado; American Short-Horn Breeders' Association, Illinois; Roaring Fork and Eagle River Stock Association, Colorado; Uinta County Wool Growers' Association, Wyoming; Cattle and Horse Protective Association, District 9, Colorado; Elko County Cattle Association, Nevada; American Galloway Breeders' Association, Missouri; North Fork Valley Cattle Growers' Association, Colorado; Park County Cattle Growers' Association, Colorado; Grand and Eagle River Stock Growers' Association, Colorado; San Luis Valley Cattle and Horse Protective Association, Colorado; Lincoln County Cattle Growers' Association, Colorado; Texas Live Stock Association, Texas; Lincoln and Elbert County Wool Growers' Association, Colorado; Kansas City Live Stock Exchange, Missouri; Weld County Live Stock Association, Colorado; Eastern Colorado Stockmen's Association, Colorado; Sheep and Wool Growers' Association, Idaho; Black Range Protective Association, New Mexico; Western Nebraska Stock Growers' Association, Nebraska; State Board of Live Stock Commissioners, Illinois; Board of Trade, Tucson, Ariz.; Chamber of Commerce and Board of Trade, Denver, Colo.; Union Commercial Club, Lincoln, Neb.; Logan County Cattle and Horse Protective Association, Colorado; Snake River Stock Growers' Association, Wyoming; Gunnison County Stock Growers' Association, Colorado; Cincinnati Union Stock Yards Company, Ohio; Colorado Midland Railway Company, Colorado; Colorado & Southern Railway Company, Colorado; Oregon Short Line Railway Company, Utah; Yuma County Cattle Growers' Association, Colorado; Fremont, Elkhorn & Missouri Valley Railroad, Omaha; Rio Grande Western Railway Company, Salt Lake City; American Shropshire Registry Association, Indiana; St. Louis Live Stock Exchange, Illinois; Sheep Sanitary Board, New Mexico; Board of Sheep Commissioners, Wyoming; Oklahoma Live Stock Association, Oklahoma; American Shetland Pony Club, Indiana; Iowa Improved Stock Breeders' Association; Cincinnati Live Stock Commission Merchants' Association, Ohio; Chicago & Northwestern Railway Company, Illinois; North Park Stock Growers' Association, Colorado; Chicago Live Stock Exchange, Illinois; Pacific Northwest Wool Growers' Association, Oregon; Dominion Short-Horn Breeders' Association, Canada; Fremont County Cattle Growers' Association, Colorado; Crystal River Railroad Company, Colorado; National Association Exhibitors of Live Stock of America, New York; Northern Wyoming Wool Growers' Association, Wyoming; Pecos Valley Railroad, New Mexico; Cincinnati Chamber of Commerce, Ohio; Red Polled Cattle Club, America, Iowa; State Board of Agriculture, Kansas; State Irrigation Association, Utah; Union Pacific Railroad Company, Omaha; State Agricultural College,

Wyoming; Saguache County Wool Growers' Association, Colorado; Polled Durham Cattle Club of America, Indiana.

"'JOHN W. SPRINGER, President.

"'Attest:

"'C. F. MARTIN, Secretary.'"

(Pages 20, 21, Hearing, March 23, 1900.)

National Grange of the Patrons of Husbandry.

The thirty-third session of the National Grange of the Patrons of Husbandry, at Springfield, O., declared:

"The question of transportation is one that should be carefully considered by this body, because it affects the agricultural producer perhaps more directly than any other class of people. *We furnish nearly 50 per cent of all freight carried by the entire railroads of this country. The National Grange was very active on this question years ago,* realizing then that there was a great discrimination in the tariff charges then made by the railroads, *and it was largely through the efforts of this body that the Interstate Commerce Commission was appointed and the law under which it worked was put into effect.* * * * The hardships of unreasonable charges either fall upon the farmer who produces the product transported or upon the consumer; and the middleman, who actually pays the freight, very little, if any, of loss falls upon him. Also, under the present law the only person who can sue the carriers and recover judgment for excessive rates is the person who actually pays the freight. The real loser can by no possibility recover any part of this extortion.

"We believe that this body should take up again this matter, and have the law so amended that it shall be so plain that neither the Interstate Commerce Commission nor the courts can misunderstand or misinterpret its meaning." (Page 221, Hearing, April 13, 1900.)

Other Resolutions.

In addition to the foregoing the Hearings show hundreds of pages in which there is one universal request that the bill for the prevention of discriminations and overcharges in freight rates be enacted into law.

Summary.

These requests by the people of the United States and by the Interstate Commerce Commission have not been heeded by the Administration, nor has the Sherman Anti-Trust Law been enforced except against labor organizations. The hope of the people is in the Democratic party that has declared in unequivocal terms that if placed in control of the Government it will restore power to the Interstate Commerce Commission and extend its power and that every private monopoly shall be abolished.

(e1) FURTHER PROOF AS TO GRAIN TRUST.

Mr. J. H. Milne, of Chicago, testified before the Interstate Commerce Commission, June 14, 1899, that

"Mr. Counselman practically controls the grain on the Rock Island Railway. *I understand that he buys at all the points along the Rock Island road and that the Rock Island road pays him a consideration for buying grain along their line at the various points where there are not elevators against what is called the track buyer.* Now that shuts out the track buyer and gives an advantage over that track buyer just the amount of money that the Rock Island railway pays him that they do not pay the track buyer.

"Mr. Sager—Another question: A short time ago you stated something relative to having given up the grain export business, and stated that it was because the profits were in the hands of a few men, the elevator men and their friends, and therefore the export trade business had become unprofitable. In your judgment, has not that become equally true with regard to the flour business?

"Mr. Milne—Yes, sir; I built a mill in 1886 and sold it when I got through with it." (Page 214, Hearing Senate Committee, April 15, 1900.)

Mr. F. S. Rutherford, of St. Louis, testified before the Interstate Commerce Commission, June 1, 1899. He said:

"*At present, and for some time past, the grain trade of the United States has been absolutely under the control of a very few prominent firms whose advantage lies in favoritism in freight rates under the guise of necessity for a lower rate for export than for domestic business.* These favorable rates enable them to pay a premium over standard market value for the grain, and so ren-

der futile the efforts of the great majority of firms to compete for business.

"Were all on an equal footing, hundreds of firms would be bidding for the grain where there is now one, and free and untrammeled competition would naturally enhance values. And, if it were not for discrimination in favor of the Atlantic seaboard exporter using the 'export' rate, Western grain would flow in natural channels to the great central markets, exporters and other buyers would be forced to obtain supplies at the centers where market values are established, and the increased demand at these market centers would result in establishing a higher range of values on which to base bids to the Western dealer for his grain." (Page 214, 215, Hearing, Senate Committee, April 5, 1900.)

Mr. Charles Counselman, of Chicago, testified before the Interstate Commerce Commission, June 12, 1899. In the course of his examination he said: "Last year we exported, I think, about 26,000,000 bushels. . . . We buy at accumulating points and also buy from the farmers direct—THAT IS, AT THE STATIONS ALONG THE ROCK ISLAND RAILROAD." (Page 215, Hearing, Senate Committee, April 5, 1900.)

Mr. A. B. Stickney, President of the Chicago Great Western Railway Company, testified before the Interstate Commerce Commission, Aug. 5, 1899. He stated in detail how he ascertained that secret rates were being given to a few shippers of grain. He was told that "one fellow has got the rate on one road and another has got the rate on another road. These are the only men that can ship from Kansas City."

After quoting this, Mr. Stickney added:

"Now, that is the condition that I found there and it has been the condition ever since, and when you look over these schedules *and see that all the shipments on a certain road are made by one firm it doesn't make any difference how high they swear or how low they swear that fellow has got some advantage that enables him to ship that grain over that road that the general public hasn't got.*" (Page 216, Hearing, Senate Committee, April 5, 1900.)

The same day that President Stickney testified as above stated there also was sworn by the Interstate Commerce Commission the Vice-President of the Rock Island Railroad. He was questioned by President Stickney and admitted that Mr. Counselman was a very large grain shipper on his road and then admitted that Counselman received a discriminating rate. The following are the words:

"Mr. Stickney—Everybody that ships over your road grain consigned *to that elevator, except Counselman, has got to pay elevator charges*, haven't they? What are the elevator charges for the first ten days? *Three-quarters of a cent a bushel, isn't it?*

"Mr. Truesdale—YES." (Pages 216, 217, Hearing, Senate Committee, April 5, 1900.)

Last January the McLeod Brothers, of Mariette, Kan., grain buyers, wrote the following letter to the President of the United States, describing the method whereby the business on each line of railroad is being placed in the hands of the Grain Trust:

LETTER TO THE PRESIDENT OF UNITED STATES.

"MARIETTA, KAN., January 11, 1900.

"Dear Sir: We would like a little information on the pooling law, the anti-trust law, and the interstate commerce law. The Midland Elevator Company, a branch of the Peavy Elevator Company, are building elevators at a large number of places in Kansas. They have not complied with the corporation laws of the State of Kansas. They go into the different towns *and compel the dealers to divide the business*, or, in other words, pool the business. If one other elevator at the point, *they demand half the grain;* if two elevators, *one-third*, and so on. If the local dealer shows fight, they say: *"We will pay more for grain than you can at this point and drop at other points."* We have been in the grain business here for eleven years, and built up a business second to none in this section of Kansas. They came in here and tried to compel us to pool with them. *They said neither us nor the State of Kansas was able to fight them. They commenced paying about 2 cents more than we could get out of grain by shipping on the market and more than they were bidding dealers.*

"Now, what we want to know is this: How can we compel them to do a legitimate grain business? Would also state that *it is our opinion that the railroad company is in with them.* They told us that if we would ship over the Union Pacific railroad to Kansas City they would not commence to buy until they had their elevator complete. This is a copy of a message sent to their man at this point:

"A. W. Wickman:

"Don't leave Marietta until stop shipments Marysville. If cannot arrange settlement will send man at once to buy.

"(Signed) SEVER."

"Sever is the manager of the Midland Elevator Company at Kansas City. *A. W. Wickman was their man that they sent here* to try and get us to ship our grain to Kansas City by the Union Pacific railroad. Any information you can give us on this matter will be appreciated. Peavy & Co. are known as the largest grain dealers in the world. Respectfully yours, McLEOD BROS.

"Marietta, Kan."

This letter was referred by the President to the Attorney-General, who, in turn, referred it to the Interstate Commerce Commission, with the following communication:

DEPARTMENT OF JUSTICE, January 23, 1900.

Sir: I have the honor to send herewith, for the information of the commission and such action, if any, as it may desire to take with respect thereto, a copy of a letter, of the 11th instant, addressed to me by McLeod Brothers, of Marietta, Kan., in which they charge that the Midland Elevator Company, an alleged branch of the Peavy Elevator Company, is violating the interstate commerce act, etc.

Very respectfully,

JOHN W. GRIGGS, Attorney-General.

Senate Resolution of Inquiry.

On May 15, 1900, the Senate adopted the following resolution:

IN THE SENATE OF THE UNITED STATES,

May 15, 1900.

Resolved, That the Interstate Commerce Commission is hereby directed to report to the Senate all the facts in the case of McLeod Brothers, of Marietta, Kan., which was investigated by order of the commission, including the appeal to the President, and all correspondence relating thereto.

Attest: CHARLES G. BENNETT, Secretary.

By HENRY M. ROSE, Chief Clerk.

Report of Interstate Commerce Commission.

In response to this Senate resolution the Interstate Commerce Commission examined into the grievance referred to by the commission, and thereafter made a report to the Senate wherein they referred to the above letter of the Attorney-General, transmitting the communication of McLeod Brothers, and said:

"President William McKinley, Washington, D. C.:

"With a view to ascertaining more specific information in regard to the charges made by McLeod Brothers, the commission, on January 31, directed one of its employees to make an informal investigation at Marietta, Kan., and other points in that section. The special agent could not be authorized by the commission to inspect the books or other records of railroad companies or to call and examine witnesses, and his investigation was necessarily limited to making inquiry of various persons at the places which he visited. The results of such informal investigation appear to indicate the following facts:

"Railroad companies engaged in carrying grain from Marietta and various other points in Kansas *obtain much the larger portion of such traffic from particular companies or firms.* For example, Peavy & Co. buy and ship over the Union Pacific railroad; Counselman & Co. buy and ship over the Chicago, Rock Island & Pacific railway; J. K. Davidson & Co. over the Missouri, Kansas & Texas railway; J. F. Harris over the Chicago, Burlington & Quincy railroad, and Richardson & Co. over the Santa Fe system. Such buyers and shippers of grain are usually known as "line dealers," *and they have sometimes been referred to by railway officials as their Southwestern grain agents.* Other buyers of grain in such localities, though provided with facilities for economical handling and shipment, have been unable to obtain any considerable amount of grain in competition with the line dealers *because such line dealers have paid much more at competing points than the market price at Chicago or Kansas City added to the* PUBLISHED *freight rates to those markets.*

"Through the continued offering of prices in excess of those fixed in the market cities combined with the published railway tariffs, *many of the independent dealers have been forced out of business or brought to the point of doing little or no business.* AFTER SE-

CURING A PRACTICAL MONOPOLY IN A PARTICULAR LOCALITY THE PRICES OFFERED BY THE LINE DEALERS HAVE FALLEN TO AND SOMETIMES BELOW THOSE FIXED BY THE MARKET PRICE AND PUBLISHED TRANSPORTATION CHARGE. *Frequently the line dealers would force the formation of a pool between themselves and other dealers at a given point, which would give them the larger portion of the trade. At other places they would offer to buy out the independent dealer at a price much below the value of the plant and threaten to destroy his business if the offer should be rejected.*"

Report of Attorney-General Griggs.

On May 4 the commission made a report of the investigation to the Attorney-General, which reads as follows:

"Referring to your communication of January 23 last, inclosing a copy of letter addressed to the President by McLeod Brothers, of Marietta, Kan., for such action as the commission might desire to take with respect thereto, I am directed by the commission to say:

(Then follows the facts set forth in the report to President McKinley, and in conclusion the report says:)

"It would seem that the methods of doing business above described cannot be successfully followed without THE AID OF A REBATE OR OTHER DEVICE OF UNLAWFUL DISCRIMINATION, enabling some shippers to obtain rates lower than those named in the published tariffs.

"It appears strongly probable that wrong has been done and that it has been effected, not in the construction or adjustment of lawfully established tariffs subject to correction by the commission, *but by discriminating deviations therefrom* — CRIMINAL ACTS —WHICH ARE COGNIZABLE ONLY BY THE FEDERAL COURTS.

"The ascertainment, with sufficient certainty and detail, of the facts necessary to determine whether a judicial proceeding ought to be instituted; and, if so, to sustain that proceeding, apparently *requires such expert examination of the books and papers of the carriers as the commission has no authority under the law, by itself or an agent, to make.*

It does not appear that anything further can be done *by the commission* which is likely to lead to beneficial results.

"All of which is respectfully submitted. MARTIN A. KNAPP, Chairman.

"Washington, D. C., May 16, 1900."

Griggs Shields the Trusts.

But Attorney-General Griggs did not prosecute the railway trust, nor has he enforced the anti-trust law against any of the industrial combinations except in two or three instances.

Shippers' Memorial, May 8, 1900.

The following memorial was introduced in the United States Senate by Senator Harris, of Kansas:

KANSAS CITY, KAN., May 8, 1900.

"To the Senate of the United States:

"We, the undersigned merchant millers, grain dealers and shippers of Kansas, respectfully petition your honorable body to enact Senate bill 1439, now on the Senate calendar. We respectfully represent that, notwithstanding there has been on the statute books for the past thirteen years a law prohibiting the making of preferential rates, *yet the conditions attending the transportation of grain and other commodities have been steadily growing worse*, UNTIL THE SHIPPING TRADE IS CENTRALIZED INTO THE HANDS OF A FAVORED FEW, to the exclusion of the many, and the export flour trade of the Southwestern States, among which Kansas was a leader, *has been almost ruined.*

"The policy of the carriers is to select a shipper in each locality *with whom and only to whom they make such* [*secret*] *rates as preclude the possibility of competition.* There has been a gross disregard of the act to regulate commerce by the railroad corporations and the commission appointed for its enforcement, *until the time has come when the great industrial and farm industries demand additional legisla-*

tion to control the transportation monopolies that are fast eliminating individual opportunity.

"This bill (S. 1439) has received the approval of the Interstate Commerce Commission as well as practically all of the national trade associations and local shipping and business organizations throughout the country. In fact, it has the approval of all shippers, *save those having special unlawful advantages.* The amendments proposed are intended to strengthen the law so as to result in prompt enforcement of reasonable and just rates and facilities for interstate transportation and properly related transportation charges as between competing localities, while at the same time preserving to the carriers all of their just rights and constitutional privileges. *Experience has demonstrated that these amendments are absolutely indispensable to the successful carrying on of business enterprises as independent concerns by persons, firms, companies, and corporations, and that such amendments would thereby very largely prevent the continuance as well as the promotion of the industrial combinations commonly known as 'trusts,' and so increase instead of diminish the number of business enterprises throughout the country and augment instead of contract the demand for labor in producing and manufacturing enterprises.*

"We respectfully urge your prompt action on this bill. A CONTINUATION OF THE EXISTING STATE OF AFFAIRS CANNOT FAIL TO ENTAIL GREAT LOSS TO FARMERS AND THE MANUFACTURERS OF FARM PRODUCTS DURING THIS CROP YEAR, A FACT WHICH WE PRAY WILL HAVE THE SERIOUS CONSIDERATION OF YOUR HONORABLE BODY.

"We respectfully ask that this appeal be made of record in the Senate, and that, in order that your honorable body may have a case in point for consideration, we ask that the record of the Interstate Commerce Commission, in the case of McLeod Brothers, of Marietta, Kan., an appeal made to the President and investigated by order of the commission, be called for and also be made of record in the Senate. Respectfully,

(Signed by 57 milling and grain shipping companies of Kansas and Missouri.)

The Senate called for the record of the McLeod case, and it is set forth in the preceding pages.

b. Many Monopolies Are Protected by the Tariff.

(1) STATEMENT.

The Republican party in stating its reasons for a protective tariff has repeatedly declared that it was for the purpose of restricting foreign competition; that it was not intended to restrict competition within the country and thereby produce monopoly. The statement has been made that competition between the many millions of people in the United States is sufficient without adding the competition of foreigners.

The platform of 1896 says: "We renew and emphasize our allegiance to the policy of Protection. * * * In its reasonable application it is just, fair and impartial, EQUALLY OPPOSED TO FOREIGN CONTROL AND DOMESTIC MONOPOLY, to sectional discrimination and individual favoritism."

This principle has been set forth repeatedly by Senator John Sherman and others.*

**REPUBLICAN OPINIONS ON TARIFF TRUSTS, COMPILED BY THE NEW ENGLAND FREE TRADE LEAGUE.*

HON. JOHN SHERMAN, IN U. S. SENATE, October 15, 1888: "Whenever this free competition is evaded or avoided by combination of individuals or corporations, the duty should be reduced and foreign competition promptly invited."

GOVERNOR MOUNT, OF INDIANA, December, 1899, speaking to the Indiana hotelkeepers: "I emphatically favor removing all tariff protection from every industry that belongs to a combination formed in restraint of trade."

EX-SENATOR WASHBURN, OF MINNESOTA, said in an interview in the New York *Tribune* of September 11, 1899: "*The Republican party, whether justly or unjustly, is associated with trusts in the minds of the masses.* As a party we have reached a crisis where we have got to call a halt. The Republican party has got to disconnect itself from trusts. *It has got to do something more than adopt platform planks against trusts.*

Yet for years there have been monopolies of products which are kept from foreign competition by means of the tariff, AND THE MCKINLEY ADMINISTRATION REFUSES TO TAKE THE TARIFF OFF THESE PRODUCTS AND THUS RESTORE COMPETITIVE PRICES. The following are some of the monopoly products, *the prices for which are lower to foreigners than to the American people.*

(2) LOWER PRICES FOR EXPORT THAN FOR HOME CONSUMPTION.

Article—	Quantity.	U. S. price.	Price in England.
Lead	100 lbs.	$4.70	$3.64
Litharge	lb.	.08⅝	.04¾
Wire, smooth	100 lbs.	3.05	2.50
Barb wire, galvanized	100 lbs.	3.80	2.39
Wire nails	100 lbs.	3.38	2.55
Iron ore	ton	6.125	5.25
Tin plate	100 lbs.	4.85	3.60
Sheet steel	100 lbs.	2.70	2.07
Galvanized iron	100 lbs.	3.78	3.23
Steel beams	100 lbs.	2.30	1.80
Borax, refined	lb.	.075	.034
Lime	bbl.	.90	.62
Cream of tartar, crystals	lb.	.22⅛	.159
Castor oil	lb.	.12¼	.066
Caustic soda	100 lbs.	2.42	1.84
Cement, Portland best	bbl.	2.55	1.11

The foregoing prices were obtained during March, 1900. Great care was used to present prices that are fairly to be compared; that is, corresponding grades and dates were selected in each instance. *On each of the above named articles the tariff favors a trust.* Henry W. Lamb, who has published the foregoing data, further says:

A much longer list might be made, containing other articles on which the protective tariff enables trusts to tax the American people in the same way. The above were selected as fair examples of great importance, because they enter largely into our industries and greatly

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* * * It seems to me, after giving the matter a great deal of thought, that the Republicans in Congress will have to examine the subject thoroughly; and, whenever they find a trust is depending for its exorbitant profits largely on protective duties, it will be the duty of Republican Congressmen and Senators to remove the duties at once. We cannot stop short of that. The duties must be repealed when it is shown that the trusts are benefiting by them. This should be done with the duty on steel rails and on tin plate."

MINNEAPOLIS JOURNAL, October 2, 1899: "The Senator is so eminently correct in his position that tariff duties which enable trusts or any other kind of monopolies to raise prices above the point at which they could otherwise be maintained should be lowered in the public interest, that we must range ourselves beside him on that proposition."

CHICAGO TIMES-HERALD, March, 1899: "Most certainly it should be the duty of Congress, in both branches of which the Republicans have a majority, to abolish or suspend the protective duty on the products of any industry which has been organized into a trust, and which has arbitrarily raised the prices of such products."

ST. PAUL PIONEER-PRESS, April, 1900: "The whole list of protected monopolies ought to be brought within the purview of a tariff reform which would enable foreign competition to put a limit on their ability to raise prices."

NEW YORK COMMERCIAL ADVERTISER, in the fall of 1899: "The time will soon come when public opinion will no more tolerate protective duties on trust products; for protection should logically promote home competition, while trust organization destroys it."

PORTLAND OREGONIAN, March, 1900: "Because the paper trust has put up the price of printing paper to unconscionable figures Representative DeVries of California has introduced a bill to repeal the duty on printing paper and the material of which it is made. It is very well; but there are about forty more big trusts that have been helped through protective tariff, and should be dealt with in the same way."

SENATOR PLUMB, OF KANSAS, opposing the McKinley tariff, August 26, 1891: "There are dozens of lines of manufactures covered by the terms of this bill which are controlled by trusts. * * * I do not know of any better way to start in, at least to reduce the exactions of trusts, than to cut down the shelter behind which trusts are created."

THE REPUBLICAN CLUB OF HARVARD UNIVERSITY on Wednesday, May 16, 1900, adopted a platform approving various measures, among them the following: "Publicity of the affairs of trusts and removal of all duty on commodities controlled by trusts."

increase the cost of production. Some of them are exported and sold abroad at the foreign price, while our people pay extra. "Of course they do," said one manufacturer. "What else is a protective tariff for?"

(3) ADEQUATE REMEDY ADVOCATED BY DEMOCRATIC PARTY.

The Kansas City platform declares: "TARIFF LAWS SHOULD BE AMENDED BY PUTTING THE PRODUCTS OF TRUSTS UPON THE FREE LIST TO PREVENT MONOPOLY UNDER THE PLEA OF PROTECTION.

There is no question but that the election of Mr. Bryan and a Congress the majority of which are Democrats, Silver Republicans and Populists, will result in the removal of such portions of the tariff duties as protect the trusts.

(4) BRIEF DESCRIPTION OF SOME PROTECTED MONOPOLIES.

(a) Raw Material Monopolized.

(a1) STATEMENT.

Wherever a corporation gets control of the raw material in any industry, IT IS ABLE TO CONTROL THE PRICE OF THE FINISHED PRODUCT. Illustrations of this are as follows:

(b1) MONOPOLY IN PRINT PAPER

The following is the claim made by the newspapers that are organized to fight the Print Paper Trust. This trust owns practically all the locations in the United States where cheap and ample water power, cheap and good spruce wood, and cheap rates to market, can be obtained for a mill of 100 tons daily capacity.

The remedy for this is to remove the tariff and let in the raw material from countries outside of the United States. The effect would be that the wood suitable for pulp, which grows plentifully throughout the country north of the United States, *would be brought into competition with that from the various tracts that are now held by the trust.* This would break the monopoly and thereby lower the price to its normal height; and to the extent that wood pulp would be shipped in from Canada it would save our forests.

Furthermore, it would remove the tax on the dissemination of knowledge. The enhanced price on print paper, due to the monopoly, is a tax upon the dissemination of knowledge.

The excessive price charged by this trust is evidenced by its dividends. The common stock, which it frankly admitted at the outset *represented only good will,* SOLD *at* 60 IN WALL STREET DURING JANUARY, 1899.

While the consumers of print paper in the United States are charged the excessively high prices, the prices charged abroad are so low that the Trust is exporting paper to Great Britain, Australia and Japan at the rate of 1,000 tons a week.

The high tariff protection to the Trust does not measure the extent to which the people are robbed by the monopoly; for the establishment of plants outside of the United States requires time, the investment of large capital, and, what is equally important, a fair show of getting a market. A monopoly in the United States is able to fight competition in Canada or other countries by putting down the price until the competitor goes out of business, and then raising the price away up because of the absence of competition. And it is therefore *not only the amount of tariff which the Trust is able to add to the price,* BUT IT IS THAT AMOUNT PLUS WHAT FURTHER SUM CAN BE EXACTED, OWING TO THE NON-EXISTENCE OF LARGE COMPETING PLANTS. In other words, the repeal of the tariff on print paper and wood pulp would stimulate the building of a few plants among the Canadian forests, and the result would be that the United States would receive its supply *at a price much less than is the present tariff.*

The existing tariff rate on printing paper, unsized, sized, or glued, suitable

for books and newspapers, valued at not above 2 cents per pound, is 3-10 of a cent per pound, or $6 PER TON. The tariff rate on mechanically ground wood pulp is 1-12 of a cent per pound, or $1.67 PER TON.

(c1) The Salt Trust.

BY BYRON W. HOLT, Jan. 27, 1900.

Salt was on the free list of the Wilson bill, in force August 28, 1894, and July 24, 1897. Under the McKinley and Dingley bills the duty on salt in bags or barrels varied *from* 30 *to* 100 *per cent, and averaged about* 50 *per cent.*

Before salt was put on the free list the manufacturers appeared at Washington, declaring that such a proceeding *would practically ruin the business.* But contrary to predictions of these interested parties, WE BOTH PRODUCED AND CONSUMED MORE SALT FROM 1895 TO 1897 THAN EVER BEFORE.

On March 20, 1899, the National Salt Company, a New Jersey concern, was incorporated, with $12,000,000 capital. It has purchased salt companies until it now has a natural monopoly in many of the inland states and an artificial tariff monopoly in many of the coast states.

It is said to be officered by Standard Oil people and to be practically an adjunct of the Standard Oil Company. Its headquarters in New York are in the building of the Standard Oil Company, and in Ohio, where there is a prosecution for monopoly, the Standard Oil attorneys are defending the case.

(d1) The Borax Trust.

BY MR. BYRON W. HOLT, Nov. 23, 1899.

At the time the McKinley Bill took effect in 1890, there was a borax trust. This tariff law raised the duty on commercial boracic acid *from* 4 *cents to* 5 *cents per pound, and four days after the McKinley bill became effective* THE TRUST RAISED THE PRICE OF BORAX ¾ OF A CENT PER POUND.

The Wilson tariff bill, which took effect August 28, 1894, reduced the duty on borax, and the effect is thus recorded in the *Oil, Paint and Drug Reporter* of December 31, 1894:

"The *net decline in the price since the new tariff came into operation* IS 2¾ CENTS PER POUND ON CRYSTALS AND POWDERED, AND 2½ CENTS PER POUND ON REFINED IN BAGS."

The Dingley bill, which took effect July 24, 1897, *restored the tariff* to about where it was under the McKinley bill, and the result is thus recorded in the *Oil, Paint and Drug Reporter* of January 17 of the following year:

"The advance in the rate of duty on borax in the Act of 1897, *from* 2 *cents per pound to* 5 *cents*, has caused a rise in the price here *from* 5¼ *cents in carloads*, which was the market quotation when the tariff became operative, *to* 6¾ *cents.* * * *

"It is evidently the determination of refiners to raise the price by slow and easy stages until they shall reap the full increase of benefit which the new act gives them. It would not have been good policy to advance the price 3 cents per pound as soon as the tariff bill became a law, as it might have aroused the ire of consumers of borax."

Trust Prices Here and in England.

"But observe, now, the difference between trust prices in protected America and in unprotected England. On October 28, 1899, the *Chemist and Druggist*, of England, quoted refined borax at 16 shillings per ½ hundredweight. This is LESS THAN 3¾ CENTS PER POUND, AS AGAINST 7¼ CENTS IN NEW YORK."

(e1) THE IRON ORE TRUST.

BY BOLTON HALL, ESQ., Sept. 10, 1899.

The Bessemer Ore Producers' Association, which has annually for many years fixed prices and allotted outputs to various companies, usually meets in Cleveland, O. This year they held meetings the last week in November and fixed the basic price of Bessemer ore delivered at lake ports at $5.50 per ton. The past year's price was $2.90, which was 15 cents higher than 1898 prices. Prices in 1900, therefore, will be just double those of 1898.

Some of the principal shipping and selling companies which compose this ore association are:

M. A. HANNA & CO.,
PICKANDS, MATHER & CO.,
OGLEBY, MORTON & CO.,
CORRIGAN, McKINNEY & CO.

The principal mining concerns interested and represented in the association are the

Oliver Iron Mining Company, five-sixths of which is owned by the Carnegie Steel Company and one-sixth by the National Steel Com-

The Minnesota Iron Company, now owned by the Federal Steel Company;

The Chapin Mining Company, the National Steel Company interests;

The American Mining Company, the mining end of the American Steel and Wire Company.

During the same week THE NON-BESSEMER PRODUCERS OF THE LAKE SUPERIOR region met in Cleveland and fixed a base price of $4.25 for 1900, as against $2 for 1899. These producers are largely the same companies which compose the Bessemer Association. Three-fourths of our ore product comes from the upper lake region. When prices are established on this large output—over 17,000,000 tons—they are also fairly well determined for most other regions.

Who Pocket the Profits.

How the price is divided among mine owners, ore producers, and ore transporters is indicated by the Carnegie agreement with the mining and transportation companies. Mr. Carnegie, through the Oliver Mining Company, has leased some of the mines owned or leased by the Rockefellers. Thus the Tilden mine is leased for fifty years at a bonus price of $500,000, and a royalty of 50 cents per ton, or a minimum yearly amount of $200,000. The Tilden Company pays a royalty of 25 cents per ton to the fee owners of the mine *and pockets the other* 25 *cents.*

The ore must be hauled to Duluth (74 miles) on the Duluth, Mesaba & Northern railroad—owned by the Rockefellers—at a charge of 80 cents per ton. *Probably* 50 *cents of this amount should be charged to royalty,* AND WOULD BE IF IT WERE NOT CONSIDERED GOOD POLICY TO COVER UP THE ACTUAL ROYALTIES PAID TO PRIVATE COMPANIES, in order to lower the royalties paid for state mines. The rate of $1.25 per ton has been practically fixed by the lake shippers. The Rockefellers own and control nearly one-half of the ore-carrying boats and *therefore get* $1.25 *for lake transportation instead of* 45 *cents that they got one year ago and an average of about* 70 *cents that they got in* 1899. The cost of mining and loading the ore varies from about 7 to 50 cents, averaging perhaps 30 cents.

Thus the actual cost of laying ore down in Cleveland is about $1 per ton. THE REMAINING $4.50 IS TO PAY THE MONOPOLY CHARGES OF THE OWNERS OF MINES, RAILROADS, DOCKS AND BOATS. If 20,000,000 tons of ore are produced in the lake region next year, *the bonus to monopoly will amount to* $90,000,000. *This bonus will easily be increased to* $100,000,000 *by other districts.*

Tariff Partly Responsible for Monopoly Prices.

While the tariff is not responsible for the greater part of this monopoly charge, it is responsible for some of it. Vast mines of iron ore exist on the Canadian side of the lakes, in and near Nova Scotia, in Cuba, and in Spain, all of which have been drawn upon by this country, and would be drawn upon more heavily but for *the duty of* 40 *cents per ton.*

b The Window Glass Trust.

BY MR. BYRON W. HOLT, Oct. 24, 1899.

In 1895 the American Glass Company, the selling pool for 85 per cent of the factories, was formed. This pool soon had prices up to the importing point, where it held them firmly until succeeded by the American Window Glass Company, a corporation with $17,000,000 capital, formed in October, 1899. The estimated value of the 48 or 50 plants absorbed is said to have been put at $6,190,000 by one of the organizers. Thus the capital stock is nearly three times the value of the plant.

Prices and Profits.

There are so many sizes and grades of window glass, the schedules of prices and discounts are so complex, and the prices change so often and differ so much in different districts, that it is difficult to compare prices. In general, prices for the last three years have been NEARLY DOUBLE what they were for the previous three years; AND, THE DUTY AVERAGING NEARLY 100 PER CENT, PRICES ARE ABOUT DOUBLE WHAT THEY ARE IN BELGIUM OR ENGLAND. The following summary of prices is from the *Commoner and Glassworker* of October 21, 1899:

"From an average price of about $1.50 per box for single and $2 per box for double strength in 1893, the value of glass has quite, *if not more than doubled.* * * * The low price of glass was due to a low tariff, combined with the low cost of unwrought material, and reduction in cost of labor, with a poor consumptive demand. * * *

"Since the existence of the American Glass Company, the greatest advance in price has taken place. This company has managed its affairs without change practically since its formation, and has done it so well as to not only control the product, *but to fix the price at the highest possible notch.*

"The profits during the last three years have been enormous. The pool is said to have made $700,000 in 1896, $1,750,000 in 1897, $2,100,000 in 1898, and still larger profits are anticipated for 1890."

Prices Carefully Adjusted to Tariff.

In no other industry, perhaps, are prices adjusted to the cost of imported goods with such precision. The cost of laying down imported glass at interior points being greater than at seaboard, on account of freight, the prices at interior points are held enough higher to cover this difference. Thus customers at Pittsburg, in the shadow of the factories, *must pay 14 cents per box more for ordinary window glass than the customer at Boston, and 20 cents more than the Pacific Coast customer.* The country is divided into six districts, and the prices for each *are determined by the cost of imported glass in each district* AFTER THE DUTY IS PAID. Prices for the Pacific Coast are lowest of all, because the cost of transportation from Belgium is the lowest in comparison with the cost of transportation on domestic plates.

Since 1861 the duty on window glass has changed but slightly, except that it was reduced about 30 per cent under the Wilson bill. The duty now, as under the McKinley and previous bills, varies from about 1⅜ to 3 cents per pound, and averages about 2 cents. This is generally equivalent to *between 80 and 100 per cent, and often exceeds 100 per cent.*

c. Discrimination Against Customers.

(1) STATEMENT OF THE EVIL.

Some of the monopolies are maintained through discriminations against customers. Railway discriminations are of this character—the roads sell cheaper to some customers than to others. And this same policy is pursued by the Standard Oil Company in its fights with competing companies. In the places where there is competition the Standard Oil Company puts down its prices, while keeping them up in the territory where it has a monopoly. The data in the following table *show discriminations by the Standard Oil Company in Ohio, and for a single week:*

STANDARD OIL CO.'S PRICES FROM TANK WAGONS IN DIFFERENT TOWNS THE SAME WEEK, OCTOBER, 1896.

		W. W. Oil.	Gasoline.
Cleveland, O.	(C.)	$0.04¾	$0.06
Sidney, O.		.08¾	.10
Dayton, O.	(C.)	.06½	.06½
Xenia, O.		.08	.08
Hamilton, O.		.07½	.08
Oberlin, O.		.07½	.07½
Troy, O.		.07	.07½
Alliance, O.		.07¼	.08
Miamisburg, O.		.07½	....
Springfield, O.		.07¼	.08
Norwalk, O.		.07½	.07½
Wooster, O.		.07¾	.08½
Youngstown, O.	(C.	.06	.06
Canton, O.	(C.)	.06	.07
Sandusky, O.		.07¾	.07¾
Galion, O.		.08	.08
Warren, O.	(C.)	.05¾	.07
Newark, O.		.08	....
Chillicothe, O.		.07	.09
Washington C. H., O.		.07½	....
Akron, O.		.07	.07½
Uhrichsville, O.		.07¾	.09
Denison, O.		.07¾	.09

C.—Competition.

This policy of putting prices down where there is competition, and putting them up in places where there is no competition, is a part of the process whereby the Meat Trust has ruined competitors and keeps the field cleared of rivals. There are other large combinations of capital which have secured and maintained a monopoly through this method.

(2) THE REMEDY: PREVENT DISCRIMINATIONS.

The manifest remedy is to apply the principle whereby railway discriminations are to be prevented; namely, the enactment by Congress of a law requiring that the great corporations engaged in interstate traffic shall not discriminate against the public. The demands of the Kansas City Platform for the abrogation of Trusts cover this remedy. The platform is quoted in full on a later page.

d Conditional Contracts.

(1) STATEMENT.

Some of the monopolies maintain themselves through a refusal to supply any of their goods *except to those who make all, or practically all, their purchases from them.* A groceryman, for example, who needs a certain brand of goods that is monopolized, can be forced to purchase other goods of the monopoly *in order to obtain the required brand. The extension of monopoly is adding more and more power through these conditional contracts.*

(2) THE REMEDY.

The remedy is clear; the contracts are in restraint of trade and therefore unlawful. It is a more odious crime than "hold-up" by the ordinary foot-pad. But the Administration has in nowise interfered with this criminal practice. The Attorney-General has attempted to enforce the anti-trust law in only a few cases.

e Purchase of Controlling Interest in Competing Corporations.

(1) STATEMENT.

One method whereby monopolies are formed is through the purchase of the controlling interest in the competing corporations.

(2) ILLUSTRATIONS.

(a) Operations of Standard Oil Money Trust.

One of the means whereby this has been accomplished, and at a price much below the usual market value, is through the operation of the Standard Oil Money Trust. It controls the interest rate on money and has put up the rate unusually high, causing panic and the fall of prices, and then the Standard Oil crowd has purchased stocks below their real value. This process has been described in the preceding chapter (page 49, above). The remedy is there pointed out; namely, that the government shall control the supply of money and thereby take from the Money Trust its control of prices. The relative importance of the Standard Oil Money Trust is thus stated by Professor Commons, of the Bureau of Economic Research, New York City, in an address before the Anti-Trust Conference at Chicago last February:

Prof. Commons' Description.

The proper way to study the trust question is to go through the list of trusts and seek out the particular legal obstacles by which each one has kept competitors from reaching a market on equal terms.

The first obstacle in the way is the Bank Monopoly. I said that capital is abundant at low rates of interest. But capital is different from money. Money may be cornered while capital is abundant. No matter how low the rate of interest, if you can not get money on equal terms with your competitor you are crowded to the wall. It is not *low* rates of interest but *equal* rates that enable the new competiter to come in.

But the rate of interest you pay depends also on your own personal credit. If your credit is not good you will pay high rates even though capital and money are abundant. Now credit is the very heart of modern business. He who can not get credit can not get money and is out of the race. The control of credit is in the hands of the banks. If the banks get together and form a bankers' trust, then they have the power to discriminate against the credit of the small competitor. They can prevent him from getting money when he needs it. They can depress the value of his stocks so that they will not be accepted as collateral. They can discount his bills at ruinous rates. They can make his collections difficult. Soon he is compelled to sell out to the trust on its terms. THE BANKING MONOPOLY IS THE ONE SERIOUS MONOPOLY THAT DWARFS ALL OTHERS AND SUPPORTS ALL OTHERS. And this banking monopoly has already been practically attained in the

city of New York, the money center of the country. It is already reaching out for other cities. Boston and Chicago already have felt it. Small banks are taking alarm. Through its influence on the money market it controls all other enterprises. Through its correspondent banks it has representatives in every city and town of the United States.

This trust has not yet been formally organized, but it is effective in the following ways:

First, the consolidation of banks and trust companies. Several consolidations have been made in New York within six months.

Second, interchange of directors. When the directors in the more powerful banks have seats in other banks, they control their policy.

Third, intimidation of the smaller banks.

By these three methods the banks of New York are practically joined in a trust, and THE STANDARD OIL COMPANY IS ITS ORGANIZER AND BACKER. The Standard Oil Trust has for thirty years fed on railroad favoritism. NOW IT IS FEEDING ON BANK FAVORITISM. *Through railroad discriminations it ruined its competitors in oil.* THROUGH BANK DISCRIMINATIONS IT IS SWALLOWING OTHER INDUSTRIES. It already has control of salt. It raided the stock markets through its control of government deposits, and in the destruction that followed it seized the gas and electric light companies of New York and got the copper stocks of Boston at half their value. In these cases it gained a controlling part of the stock. But this controlling ownership is not always necessary. Having gotten the bank monopoly, *every other corporation is eager to have a Standard Oil man on its board of directors.* One Standard Oil man on the board of directors of a corporation has more influence than all the rest—the others know that he holds the whip—he controls their credit, which is the very breath of their life. Or, what is better, he controls the credit of their competitors. Even the greatest railway in the world, the New York Central, is glad to welcome William Rockefeller as a director in its secret deliberations. The policy of the railroad henceforth is the policy of the Standard Oil and the banking monopoly.

The same is true of trusts and other corporations. It is no surprise that one of the independent tobacco manufacturers was recently unable in New York to get a loan even on government bonds and was compelled on that account to sell his factory to the tobacco trust. With a Standard Oil bank director on the board of the tobacco trust he was a spotted man at every bank and trust company in the city. He might perhaps have gone to a country bank, for not all of them have as yet learned to bend the knee, but his experience in New York was enough for him. He had hitherto competed successfully with the tobacco trust, but he was doomed when he struck the bankers' trust.

THE BANKERS' TRUST IS BECOMING THE BACKBONE OF ALL THE TRUSTS. THEY ALL MUST SOONER OR LATER ARTICULATE FROM THIS IF PERMITTED TO CONTINUE.

(b) Concentration of Wealth Causes Monopoly.

(a1) STATEMENT.

The existence of private monopolies has resulted in tremendous private fortunes, *and this causes more private monopoly.* EACH YEAR THE PROFITS OF ROCKEFELLER, CARNEGIE AND A FEW OTHERS ARE SO GREAT THAT THE INVESTMENT OF THEM RESULTS IN THEIR ABSORBING WHOLE INDUSTRIES. UNLESS CHECKED VERY SOON THESE MONOPOLISTS WILL HAVE CONTROL OF THE FEW INDUSTRIES WHEREIN COMPETITION IS YET EXISTENT. ALREADY THE CONCENTRATION HAS GONE TO SUCH AN EXTENT THAT 1 PER CENT OF THE FAMILIES IN THE UNITED STATES OWNS 99 PER CENT OF THE WEALTH OF THE COUNTRY. This astounding fact is vouched for by Dr. Chas. B. Spahr, author of a work entitled "Distribution of Wealth," and for some time a lecturer in Columbia University.

To get a correct idea of the immensity of the fortunes of monopolists in this country a description of the incomes of Carnegie, Rockefeller, etc., is instructive.

Carnegie's Income.

Last spring Mr. Frick, of the Carnegie Company, brought suit against Mr.

Carnegie. In the papers sworn to by Mr. Frick and filed with the court he states that the annual earnings of the Carnegie Steel Company was $42,500,000. OF THIS, MR. CARNEGIE'S SHARE WAS $12,285,000. Compared with this income that which is received by kings and emperors is a mere pittance. The following figures should be of interest to the American people, from whom the monopolists extort their giant fortune:

Queen Victoria	$ 1,925,000
The German Emperor	3,852,770
The Emperor of Austria	3,875,000
The King of Italy	2,858,000
Andrew Carnegie	12,867,500

Rockefeller's Income.

But Mr. Rockefeller receives a much larger income than does Andrew Carnegie. From January 5 to May 2 of this year Mr. Rockefeller's dividends from the Standard Oil Monopoly aggregated $12,400,000. This was stated in the Chicago Tribune of May 2, a staunch Republican paper, and it continues:

"This is only a small portion of the amount to which Mr. Rockefeller has been entitled by reason of the earnings of the Standard Oil Company.

"The company owns only 51 per cent of its many subsidiary companies. Mr. Rockefeller owns the other 49 per cent. His total income, therefore, from all sources allied with the Standard Oil Company has been since January 1, 1900, $24,000,000.

"Including the dividend declared today, the Standard Oil Company has since 1882 distributed to its stockholders dividends aggregating $252,200,000.

"Two more quarterly dividends will be paid this year. These are variously estimated at from 10 per cent each up to 20 per cent each. *It is generally regarded as certain that the dividend this year will not be less than 50 per cent.*

"IT IS ESTIMATED THAT MR. ROCKEFELLER'S DIVIDENDS FROM ALL SOURCES WILL THIS YEAR AMOUNT TO $75,000,000."

The amount of capital which this profit represents is one and one-half billion dollars, reckoned at five per cent, or two and one-half billion dollars at three per cent. Let us compare this with some of the great fortunes of the world:

Crœsus	$ 16,000,000
Duke of Westminster	75,000,000
Astor	150,000,000
Baron de Rothschild	200,000,000
William Rockefeller	200,000,000
Carnegie	300,000,000
John Beit (diamond king)	1,000,000,000
John D. Rockefeller	2,000,000,000

SO LONG AS THE PRESENT MONOPOLY PROFITS CONTINUE MR. ROCKEFELLER AND THE OTHER TRUST MAGNATES WILL CONTINUE TO REAP ANNUALLY THE ENORMOUS SUMS WHICH WE HAVE SHOWN THEY ARE TAKING FROM THE PEOPLE. THESE ANNUAL PROFITS ARE SO GREAT THAT THEIR INVESTMENT RESULTS IN THE MONOPOLIZATION OF INDUSTRY AFTER INDUSTRY.

(b1) THE REMEDY; DEMOCRATIC AND REPUBLICAN POLICIES COMPARED.

It follows that if the unjust profits from monopoly *are prevented* THIS WILL TEND TO STOP THE MONOPOLIZATION OF INDUSTRY. A further remedy is a Graduated Income Tax, and a still further decentralizing force is the Inheritance Tax—a tax which exists in all the principal countries of the world, and which in this country was levied by Congress at the beginning of the Spanish war. The income tax is in use in every progressive country in the world except the United States. The McKinley Republican party is against an income tax, and it has also fostered monopoly, whereas the Democratic party favors the total abolition of private monopoly and the enactment of laws for an income tax, direct election of United States Senators by the people, also direct legislation.

f Natural Tendency to Monopoly in Many Lines of Production and Trade.

(1) STATEMENT.

There has been an evolution of industry. This is demonstrated by history. Every one admits it.

In many lines of industry *the size of the plants has increased, while their number has diminished.* This has existed in many cases where no legal privileges have been granted. This tendency is, therefore, a law of nature, and consequently it will continue until the plants become so large that to increase them further will not further reduce the cost of production. This is admitted by all, *and there is no political party that aims to stop the reduction in the cost of production* SO LONG AS COMPETITIVE PRICES EXIST. It is only when the monopoly stage is reached that the Government should step in and restore competitive prices, or regulate the prices, or own and operate the monopoly.

(2) TENDENCY TO CO-OPERATION.

We have seen that in many industries there is a natural tendency to increase the size of the plant in order to reduce the cost of production, *but there must come a time when the competing plants will be so large that to further increase their size* AND CONTINUE COMPETITION *will not decrease the cost of production.* When this stage is reached, will not the proprietors of the great competing plants *agree upon prices*, thus doing away with competitive prices *and thereby increase their profits?* In other words, is it not a fact that there is a tendency in human nature to co-operate where it is profitable to do so?

Undoubtedly this is true. An examination of history shows in most cases where competing plants have become large and correspondingly few in number that the proprietors have entered into agreements with each other whereby *competition has been more or less eliminated and their profits increased.* The writer believes that in any industry *where there is a tendency to increase the size of the plant, the proprietors have already or eventually will enter into agreements shutting off competition.* This reduces the cost of production and increases the profits, even though the prices charged the public are not raised. But these prices *are* raised and thereby the profits are increased in both directions.

(3) REMEDIES.

a Policy of Reform Parties.

Those who read history in the manner above outlined are divided as to the immediate remedies. *But nearly all are agreed that in the present undeveloped stage,* A STAGE LARGELY DUE TO THE FOSTERING OF MONOPOLY BY LEGISLATION, THE FIRST THING TO DO, *after capturing the Federal Government,* IS, IN SO FAR AS POSSIBLE, TO REMOVE THE CAUSES OF MONOPOLY. For example, freight discriminations should be abolished, and also the tariff duties which sustain monopolies.

The remedies offered in the Democratic Platform aim to remove the causes without interfering with the growing size of industrial organizations, except to prevent monopoly. The platform demands that all freight discriminations shall be removed; that all such import duties as result in monopolies shall be repealed, and that all other causes which produce monopoly shall be abolished, except, of course, that there shall be no interference with the grad-

ual growth in the size of competing plants. The words of the platform are: "Corporations should be protected in all their rights, and their legitimate interests should be respected." But *to prevent monopoly* it is proposed that "corporations engaged in interstate commerce" shall be obliged to take out a license from the Federal Government, and that *one of the conditions shall be that the corporation is "not attempting to monopolize any branch of business or the production of any articles of merchandise."* To enforce this and other provisions against monopoly, it is declared that "the whole constitutional power of Congress over interstate commerce, mails, and all methods of interstate communication, shall be exercised by the enactment of governmental laws upon the subject of trusts".

If, after a fair trial, it is found that in one or more branches of production and trade, the monopoly feature *cannot be suppressed,* THEN THE NEXT STEP WILL BE TO REGULATE PRICES JUST AS IT IS PROPOSED TO DO WITH THE RAILWAY MONOPOLY. If necessary, the same machinery for regulating can be applied. *But that is a future possibility, and something with which we have no need to deal in this campaign.* TODAY THE TRUSTS AND OTHER MONOPOLIES ARE IN NOWISE CONTROLLED IN THE INTERESTS OF THE PEOPLE, BUT IN THE INTEREST OF THE OWNERS OF THOSE MONOPOLIES. *In this campaign the people are to advance and take the first line of entrenchments, namely, elect to office the party that is pledged to regulate the railway monopoly and take down the import duties that are causing monopolies, and turn against the monopolies in all other possible ways the whole of the Federal Government, with the aim of restoring competitive prices. That is the line of action in this campaign. The future possibilities or probabilities must be met in a later campaign. Step by step is the way of progress.*

(b) The Ideal of the Socialist Party.

On the other hand, the Socialist Party, while believing with the other Reformers that private monopoly must not be permitted to exist, declares that the method of obtaining equal rights and due protection of the weaker, is *to let the condition of affairs grow more and more intolerable until the people take to themselves* ALL AT ONCE, ALL THE MEANS OF PRODUCTION AND DISTRIBUTION, AND OWN AND OPERATE THEM IN COMMON.

This is the Revolutionary Method, as it is termed, in contradistinction to the Reform Method—the advance step by step. In the words of Mr. Bryan in his speech accepting the Populist nomination:

(c) Mr. Bryan's Attitude as to Social Progress.

It is sometimes urged by partisan Populists that four years more of Republican misrule would so aggravate economic conditions as to make reforms easier. No one can afford to aid in making matters worse in the hope of being able to make them better afterwards, for in doing so he assumes responsibilities which he may not be able to remedy. No Populist, however sanguine, believes it possible to elect a Populist President at this time, but the Populist party may be able to determine whether a Democrat or a Republican will be elected. Mr. Chairman, the Populist convention, which your committee represents, thought it better to share with the Democrats in the honor of securing *some* of the reforms desired by your party than to bear the odium of remaining neutral in this great crisis or of giving open or secret aid to the Republican party, which opposes *all* the reforms for which the Populists contend.

Those who labor to improve the conditions which surround their fellowmen are apt to become impatient, but they must remember that it takes time to work out great reforms. Let me illustrate by calling your attention to the slow growth of public opinion in support of the proposition to which there has been practically no open oppo-

sition. President Johnson, in 1868, recommended a constitutional amendment providing for the election of United States Senators by a direct vote of the people, but his recommendation met with no response. About twelve years later General Weaver, then a member of Congress, tried to secure the passage of a resolution submitting such an amendment, but his efforts were futile. In 1892 the resolution recommended by President Johnson and urged by Congressman Weaver finally passed the House of Representatives, but *it has not yet reached a vote in the Senate*, and now, after eight years more of public discussion, *the proposition for the first time received the indorsement of the national convention of one of the great parties.*

If the fusion forces win a victory this fall *we shall see this reform accomplished before the next Presidential election*, AND WITH ITS ACCOMPLISHMENT THE PEOPLE WILL FIND IT EASIER TO SECURE ANY REMEDIAL LEGISLATION WHICH THEY MAY DESIRE.

But how halting has been the progress. Holland has said:

Heaven is not gained by a single bound.
We build the ladder by which we rise,
From the lowly earth to the vaulted skies,
And we mount to its summit round by round.

And so it is with great social and political movements.

Great problems are solved slowly, *but struggling humanity marches on, step by step*, CONTENT IF AT EACH NIGHTFALL IT CAN PITCH ITS TENT ON A LITTLE HIGHER GROUND.

Mr. Bryan's attitude on the monopoly question is that we should at once advance from private monopoly to a restoration of competition where possible, and to public regulation where a restoration of competition is impracticable. This appears in his statement set forth in a later section.

(d) Attitude of the Trust Magnates.

The holders of great monopoly privileges (secured to them by Federal laws or by the absence of Federal action) are striving to prevent the regulation of the prices charged by the railway monopolies, and are striving also to prevent the restoration of competitive prices in production and trade. *This demonstrates that their aim is to foster private monopoly—to create and maintain private monopoly by use of the Government. During the past year the brother of John D. Rockefeller told an intimate friend it was his belief that private monopoly would continue and that the number of owners would become less and less until one man would practically control all the industries of the country, and that this man would do it so well the people would ask him to take charge of the Government also.* THIS IS THE LOGICAL OUTCOME OF THE TENDENCIES IN THE FEDERAL GOVERNMENT OF THE PAST TWENTY-FIVE YEARS.

To the same effect as the foregoing prophecy of William Rockefeller are the principles advocated by Arthur C. Hadley, Professor of Economics at Yale University and now its President. He has repeatedly declared that the private individuals who control the trusts should realize that they are, as to the people of the country, *trustees*. One of the means Professor Hadley advocates for the enforcement of this trusteeship is social ostracism. Those who do not come up to the standard should not be received in society.

This general line of policy which Professor Hadley advocates was commented upon by Professor John Commons in a written debate before the American Economic Association at its last annual meeting. Among other things he said:

Professor Commons' Reply to President Hadley.

I can see how the modern economist who sees these new developments [Monopoly Developments and Boss Politics], *without seeing any democratic solution for them, should in a noble and fearless*

spirit BECOME COURT PREACHER TO THE POLITICAL BOSSES AND THE IRRESPONSIBLE TRUSTEES. He says to them:

> Natural selection has preserved you as the survival of the fittest. It has given these Asiatics, these workingmen and farmers, into your keeping. Remember your position is one of trust. You are free from competitors. There is no legal penalty for abuse of power. You are not responsible to them. I do not know what God will do in the matter. But anyhow, be good to them. Show them sympathy and justice.. If you do not I shall denounce you.

Now, in speaking thus I admit that I exaggerate the position of President Hadley, as he views it. *But I see no other outcome of his position*, and in a question of this kind we are all to be judged by the practical outcome of our teaching. I have no doubt that an economist who takes this position will accomplish great good for society as a whole. He *will* have an influence in politics. But *notice that he will shut out from political influence all the economists who do not have the ear of the bosses and the trusts.* He is the defender of the institutions by which these men have gained power. As such he has their ear. But he makes a distinction between the good man and the bad man who possesses the power, between their good and bad use of their power. As such he is their needed critic. *But other economists who do not indorse the necessity of absolutism or trusteeism, if they are to have* POLITICAL INFLUENCE, *must get it through those classes who resist these absolutist institutions.* If they can show that there is another solution to the problem, if they can show that there is a safe and rational method by which these excluded classes can share in the control of these institutions and by which the prosperity of the whole will be at the same time promoted, then the other classes will take up their arguments and will use them as the social justification of their class struggle.

Professor Commons, the man who fearlessly stated the above, is working today for the election of William J. Bryan and for a Congress composed of Senators and Representatives elected on the Democratic, Populist and Silver Republican tickets. *He believes that that is the path of progress.* He says in effect: "Let us secure control of the Federal Government, and then work out the solution of the problem step by step. Remove the causes of monopoly, enforce the law against monopoly, and in so far as practicable *extend the people's power over the law by means of the referendum, the initiative and proportional representation.*"

(e) Attitude of the McKinley Administration.

The greater portion of the monopolies under private control have developed during the McKinley Administration. ALL THE OWNERS OF THESE PRIVATE MONOPOLIES ARE ASKING FOR A CONTINUANCE OF THE ADMINISTRATION. *They are fighting with all their power the Reform parties. President McKinley and the Senators and Congressmen who are with the Administration, have refused to restore to the Commerce Commission its power to prevent discrimination in railway rates, and have refused, also, to remove the tariff duties from monopoly products; nor does President McKinley enforce the present laws against monopoly. The Administration has attempted to deceive the people by introducing in Congress a bill for an amendment to the Constitution of the United States giving greater power to Congress and the President and taking from the States all power to regulate monopoly within their borders.*

With this record, President McKinley in his Letter of Acceptance *refrains from recommending any legislation that will take the props from the monopolies and restore competition.* He does not ask that railway discriminations be prevented, thereby establishing equal rights between shippers; nor does he ask that protected monopolies be opened to foreign competition. *He simply asks that the present causes be left in operation and that the law attempt to* RESTRAIN *the existent monopoly giants.* The following are his recommendations

in his Letter of Acceptance, and all he has to say about monopolies:

M'Kinley's Letter of Acceptance.

Combinations of capital which control the market in commodities necessary to the general use of the people, by suppressing natural and ordinary competition, thus enhancing prices to the general consumer, are obnoxious to the common law and the public welfare. They are dangerous conspiracies against the public good, *and should be made the subject of* PROHIBITORY OR PENAL LEGISLATION. Publicity will be a helpful influence to check this evil. Uniformity of legislation in the several states should be secured. Discrimination between what is injurious and what is useful and necessary in business operation is essential to the wise and effective treatment of this subject. Honest co-operation of capital is necessary to meet new business condition and extend our rapidly increasing foreign trade, but conspiracies and combinations intended to restrict business, create monopolies and control prices should be effectively restrained.

Hanna Says "There are No Trusts."

Sept. 18th, 1900, Senator Marcus A. Hanna, chairman of the Republican National Committee, in a noon-day speech at the Commercial League, Chicago, declared:

Now, then, about this trust question, a few words more. I would like to have Mr. Bryan or any other Democrat tell me what a trust is. *I don't believe there is a trust in the United States,* for every State law and national law will destroy any trust that comes within its jurisdiction; and the only laws, State and national, that have ever been put upon statute books were enacted by the Republican party. [A Voice—Never enforced.] Yes, they are enforced. [Voices—Put him out.] No, don't put him out. I don't want to put anybody out.

We have no objection to the Democratic party being opposed to trusts, but they have got no patent on it. (Laughter.)—Chicago *Tribune.* September 19.

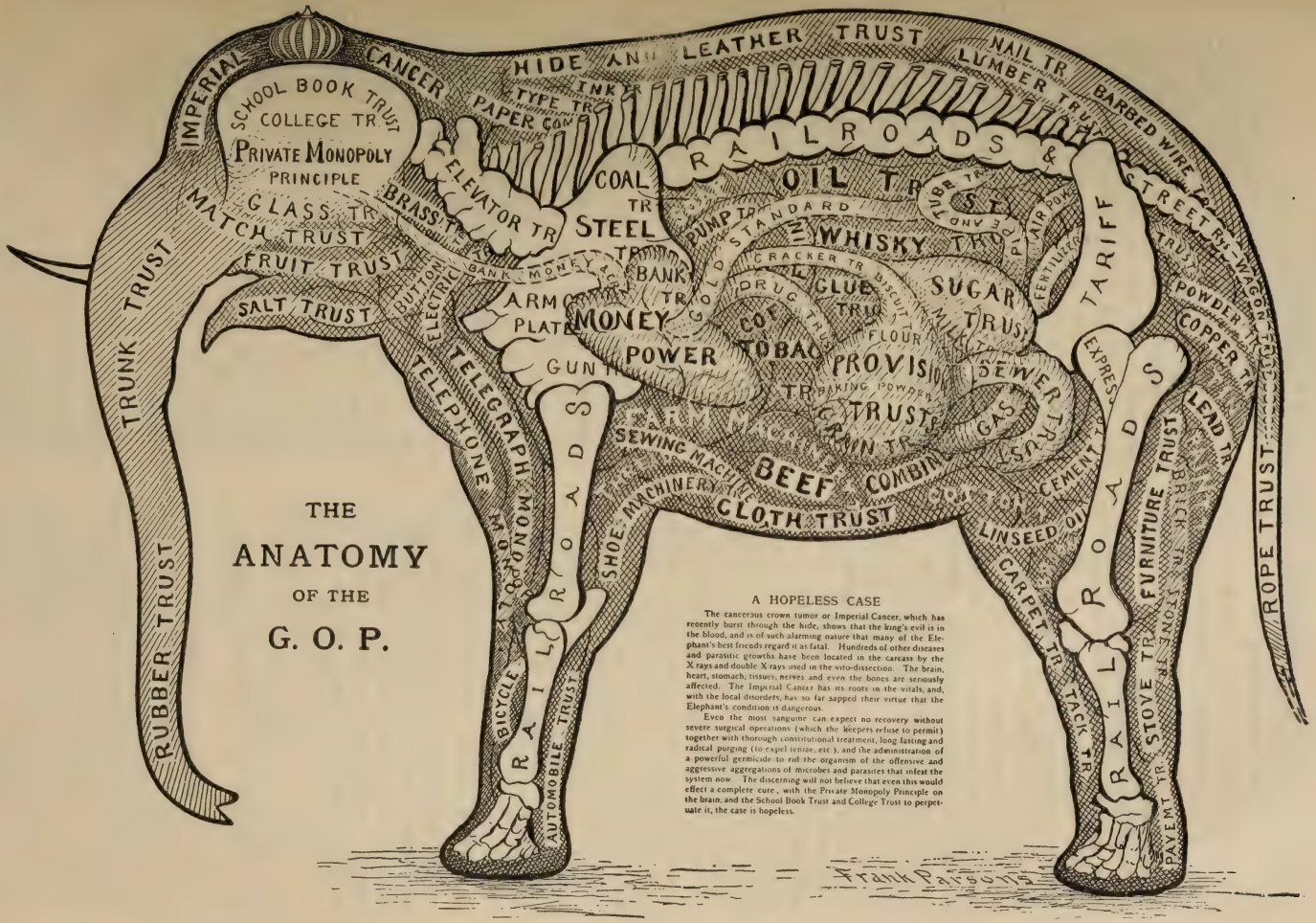
The day after Mr. Hanna made the above statement, Mr. Bryan said in a public address:

I read in the morning's paper a speech made by Mr. Hanna yesterday, in which he said there are no trusts. When I used to want humorous reading I would go to those books which contained a collection of the writings of humorists. But now, when I want to read something funny I read Mr. Hanna's serious campaign speeches. There are no trusts! Can you expect the Republican party to destroy the trusts when the leader of the Republican party says there are no trusts?

Summary.

We have now considered the natural tendency to monopoly and have contrasted the policies advocated by the Democratic party, the Socialist party and the McKinley Administration, including in the last the attitude of the trust magnates. *These aim to perpetuate their own power by continuing to control the Federal Government.* Their policy of ruling the many and filching from them their earnings is thought by such men as President Hadley and hosts of others, *to be* THE INEVITABLE FUTURE FOR THE AMERICAN PEOPLE. It is true that the tendency in this direction has continued since Lincoln's day, but the great majority of the American people are not yet willing to give up—they believe that private monopoly can be overthrown. *Those who believe this, or who wish to make the attempt to secure freedom for themselves and their posterity, with scarcely an exception will vote for William J. Bryan and the Reform Congressmen, and for such members of the Legislature as will elect Reform Senators.*

Some of the radicals are declaring that Mr. Bryan and his fellow-workers in the fusion parties are not advocating the proper remedies—that nothing short of a revolutionary change in the shape of the immediate ownership and operation by the Government of all the means of production will save society from the despotism of private monopoly and government by the few. To such, and also to those who are fearful lest the tendency to monopoly marks the overthrow of civilization, I submit the following historical review of monopoly:


THE
ANATOMY
OF THE
G. O. P.
A HOPELESS CASE
The cancerous crown tumor or Imperial Cancer, which has recently burst through the hide, shows that the lung's evil is in the blood, and is of such alarming nature that many of the Elephant's best friends regard it as fatal. Hundreds of other diseases and parasitic growths have been located in the carcass by the X rays and double X rays used in the vito-dissection. The brain, heart, stomach, tissues, nerves and even the bones are seriously affected. The Imperial Cancer has its roots in the vitals, and, with the local disorders, has so far sapped their virtue that the Elephant's condition is dangerous.
Even the most sanguine can expect no recovery without severe surgical operations (which the keepers refuse to permit) together with thorough constitutional treatment, long fasting and radical purging (to expel teniae, etc.), and the administration of a powerful germicide to rid the organism of the offensive and aggressive aggregations of microbes and parasites that infest the system now. The discerning will not believe that even this would effect a complete cure, with the Private Monopoly Principle on the brain, and the School Book Trust and College Trust to perpetuate it, the case is hopeless.
Frank Parsons
IMPERIAL CANCER
HIDE AND LEATHER TRUST
NAIL TR
LUMBER TR
BARBED WIRE TR
SCHOOL BOOK TRUST
COLLEGE TR
PRIVATE MONOPOLY PRINCIPLE
TYPE TR
INK TR
PAPER COM
RAILROADS &
STREET RY
ELEVATOR TR
COAL TR
STEEL TR
OIL TR
STANDARD
PUMP TR
WHISKY TR
GLASS TR
BRASS TR
MATCH TRUST
FRUIT TRUST
SALT TRUST
BANK
MONEY
BANK TR
ARM
PLATE
GUN
POWER
DRUG TR
GLUE TRUST
SUGAR TRUST
TOBACCO
PROVISION TR
BAKING POWDER
FLOUR
TRUST
SEWER GAS TRUST
TARIFF
POWDER TR
COPPER TR
LEAD TR
TRUNK TRUST
RUBBER TRUST
ELECTRIC BUTTON
TELEGRAPH
TELEPHONE
MONOPOLY
SEWING MACHINE
MACHINERY
SHOE
BEEF
COMBINATION
CLOTH TRUST
CEMENT TR
LINSEED OIL
CARPET TR
TACK TR
EXPRESS
RAILROADS
FURNITURE TRUST
STOVE TR
PAVEMENT TR
ROPE TRUST
BICYCLE
AUTOMOBILE TRUST
RAILROADS

True Inwardness of the Republican Elephant.

(4) HISTORICAL STUDY OF MONOPOLY.

(a) Its Evolution.

In the early stages of civilization there were no monopolies. As intelligence grew and industry developed there came into existence larger and larger bodies of people who co-operated. This resulted in monopolies such as the right to preserve order and property, to defend from outside enemies, to administer justice, levy and collect taxes, to regulate weights and measures, and to deal with other matters connected with commerce, such as the coinage of money, the conveyance of information through the post, telegraph and telephone, the conveyance of freight, including water and gas, and the conveyance of passengers.

These are natural monopolies. Artificial monopolies are those where men co-operate with the aim to form them, or the Government grants special privileges which result in monopolies. There was a multitude of artificial monopolies in Queen Elizabeth's time, owing to the special privileges she granted, and in our time there are monopolies due to the grant of special privileges by our Government.

Let us consider the methods of control where monopoly becomes established.

(b) Public Control: Two Great Systems.

Each monopoly, after it has developed, has been taken in hand by the people. *They, through their Government, have always abolished private monopoly.* WHEREVER POSSIBLE THEY HAVE REMOVED "THE PROPS," THUS RESTORING COMPETITIVE PRICES, AND IN ALL OTHER CASES HAVE REGULATED PRICES.

Let us consider these two systems in detail.

REMOVAL OF PROPS.

In Queen Elizabeth's day she granted monopolies in the several fields of industry, but later the people rebelled and secured the removal of the privileges, and this restored competitive prices.

And history is repeating itself. Three years ago our Supreme Court took from the Interstate Commerce Commission its power to prevent discriminations in freight rates, the Administration has refused to restore the power, and as a result special privileges in freight rates have built up a swarm of monopolies. The people are in rebellion against these monopolies and all the Reform parties are united on a set of candidates pledged to strike down the special privilege in freight rates and thus restore competitive prices, except as the natural tendency to monopoly interferes.

Another line of special privilege that sustains monopoly is an import duty on trust products. Manifestly the remedy is to remove such of the tariffs as result in monopoly. This will be done by the nominees of the Reform parties as soon as they are seated, and they will also open up the highways—remove the freight discriminations. Such trusts as remain will be dissolved where it is possible to do so.

PUBLIC REGULATION.

Such of the private monopolies as cannot be dissolved by the removal of props must be regulated. The Democratic party is pledged to restore to the Interstate Commerce Commission its power to regulate railway charges, and to add to its powers. This will secure equal rights to those who use the railways, and thus restore competitive prices in nearly all the fields of industry. Such is the opinion of the members of the Interstate Commerce Commission (page 67 above).

THE QUESTION, THEN, IN THIS CAMPAIGN AGAINST THE TRUSTS IS, *SHALL THE FEDERAL GOVERNMENT REGULATE THE PRICES CHARGED BY THE RAILWAYS, OR SHALL PRIVATE MONOPOLY CONTINUE?*

Thus is the issue joined. Those who believe that ultimately the railroads will be owned by a public corporation *cannot vote upon that proposition in this election. We have not yet reached that stage of development.*

Private monopoly exists and THE NEXT STAGE as society progresses, IS PUBLIC REGULATION.

In many of the European countries, and in New Zealand, the stage of public ownership of railways has been attained. But first they passed from private monopoly to public regulation. In the United States all of the Interstate Monopolies, except the mails, levying of public taxes, etc., are controlled by private individuals, and the question is, shall this continue or shall there be public regulation? Everyone who believes the destiny of the race is upward and not downward, should, in this campaign, vote against private monopoly and help to elect the nominees who are pledged to secure public regulation at once.

Further points which the writer desires to emphasize are these:

(5) AS BETWEEN INDIVIDUALS, MONOPOLY IS NOT A CESSATION OF COMPETITION.

Monopoly is a cessation of competition *between business organizations, but competition between individuals continues.* Examine the Sugar Trust and you will find that the number of business organizations has been reduced until there is a single organization, except as an occasional competitor enters the ring. *But the formation of this monopoly has not destroyed the competition* BETWEEN INDIVIDUALS; *it has simply given* AN ADVANTAGE *to the few who own the stocks in the monopoly—they have* AN ADVANTAGE IN THE STRUGGLE FOR EXISTENCE.

The special privilege they hold is a Legal privilege. It is the law that gives the franchise to the corporations; but law can also take away monopoly. The aim of legislation, according to the American ideals existing in all the political parties until recently, was that all should have equal rights in the government and equal rights before the law. Let us examine the meaning of this as to the monopoly question.

(6) THE BASIC PRINCIPLES OF A REPUBLIC APPLIED TO THE MONOPOLY QUESTION.

The fundamental principle in the Republic of the United States is that as between individuals no one shall receive undue advantage over his competitor by means of the law. In other words, special legal privilege is contrary to the spirit of a Republic.

Therefore, in the monopoly question the aim of the reform parties is to abolish private monopoly—abolish legal privilege and thereby *restore* competition between business organizations upon a more equitable basis.

Where private monopoly is such that competition cannot be restored, as for example, in the railways, the aim is to progress *from private monopoly to public regulation*; and where public regulation is attained, as in the street railways, gas plants, etc., *the next step is to change the membership in the corporations from the few to the people who use the monopoly*; *i. e., change from ownership and operation by a private corporation to ownership and operation by a public corporation.* In this are secured equal rights in industry and equal rights in the government. So long as the profits of monopoly go into private pockets the owners of these pockets use the monopoly funds *to influence legislation.*

Examples of the last mentioned stage of monopoly, namely, from public regulation to public ownership and operation, are the waterworks and postal service. In each of these and other monopolies the aim as to competition between individuals is:

(1) Equal rights to all who may use the monopoly.

(2) Equal rights to all who apply for service—the merit system is a sure outcome. The doctrine of equal rights between competitors for employment in public corporations results in a plane of competition that is much higher than that in private corporations. In private corporations the question of the employer is "How cheap will you work"?

while in public corporations the wages or salaries are fixed at a higher rate than are those paid for similar work in private corporations (excepting, of course, the excessive salaries paid to managers of private corporations), and the competition between individuals is directed to the question "How well can you do the work"? This is the system in our public schools, and who would like to change the criterion to "How cheap will you work"? The salaries of the railway postal clerks are fixed by government, the clerks competing for the places on the basis of efficiency. This is the underlying principle in the Labor Unions, which fix the minimum wage, the employers taking their pick of the men in the unions. In this way the inefficient ones get the least work, while the most efficient receive steady employment at the best wage. With the other criterion employed, namely, "How cheap will you work"? there would be reduction in wages, and the one consenting to live on the smallest pay would receive the most employment.

Reviewing the three preceding sections, it appears that the natural development of monopoly (as distinguished from monopoly that is fostered by legislation) promotes civilization if the intelligence of the people is directed to the maintaining of equal rights in the governing power and equal rights before the law.

2 REMEDIES PROPOSED BY THE DEMOCRATIC PARTY.

a. Outline.
b. Anti-Trust Plank of 1896.
c. Mr. Bryan's Attitude Four Years Ago.
d. Anti-Trust Plank of 1900.
e. Mr. Bryan's Letter of Acceptance.

a Outline.

We have seen that history demonstrates that the remedies for the trusts consist in the application of the fundamental principles of the Republic, namely, EQUAL RIGHTS BEFORE THE LAW AND EQUAL RIGHTS IN THE GOVERNING POWER.

These principles are applied in the Democratic platform. It demands: (1) That in the transportation lines of the country there shall be equal rights —discriminations are to be abolished through a law restoring to the Interstate Commerce Commission its power over the rates charged by railways. And equal rights are to be secured in the industries where tariff duties are now supporting private monopolies. Such other discriminations as exist and produce monopoly are to be swept away. The money trust is to be invertebrated by a law for the direct issuance and withdrawal of the paper currency by the government.

This removal of the props whereby private monopoly is supported will restore competitive prices in all or nearly all the lines of production and trade. This is demonstrated by an examination of the facts set forth in the above pages. In the future the natural tendency to monopoly in some of the lines of production and trade will doubtless call for public regulation, and it may be that some of the existing monopolies may not be put back to the competitive stage. If so, the remedy can be applied that is to be used against the railway monopoly, namely, regulation of prices by the government. But first there must be a determined effort to restore competition. The full Anti-Trust plank of the Kansas City platform will be quoted at page 89.

(2) The Democratic platform not only declares for laws that will knock the props from under the trusts, but also for laws that will prevent a recapture of the Government by the monopolists. There is a declaration for the Election of United States Senators by the People, and that "any attempt by corporations to interfere with the public affairs of the people, or to control

the sovereignty which creates them, should be forbidden under such penalties as will make such attempts impossible." But greater than all this is a declaration for the transfer of legislative power from our elected rulers to the people themselves.* In other words, a declaration that the people shall have the right to directly control not only the changes in the Constitutions, as has always been the case, but also to directly control the changes in the statute laws. At present we elect men to enact the statute laws—they are our elected rulers. But under the proposed change—the Referendum and the Initiative—the people will retain the legislative power in their own hands (except as to emergency measures) while their representatives in Congress will simply pass bills, to be accepted or rejected by the people. This will prevent the passage of laws granting monopoly rights.

Furthermore, the Referendum and the Initiative WILL SEPARATE THE ISSUES SO THAT THE PEOPLE CAN PASS UPON EACH MEASURE BY ITSELF. At present they vote for the men who are nominated by a political party, and in this way express approval or disapproval of *a large number of measures*, but under the Referendum and Initiative each measure of importance will be brought squarely before the people *and separated from party politics.*

In Switzerland, it has resulted in the banishment of corrupt politics and private monopoly, and it will do the same for the United States. It is a conservative remedy—changes in the law take place slowly, but in the right direction. It is the only way to permanently re-establish in this country a government "of the people, by the people, and for the people." In other words, it is the only way to actually secure equal rights in the governing power, with special privilege to none.

(3) A third factor is Mr. Bryan's determination that if elected he will devote his entire energies and power to the overthrow of the trusts and the maintenance of the Republic, instead of devoting part of his time and energy to the securing of a re-election. His words are quoted in a later paragraph.

The following is an outline of the Democratic policy of handling the monopoly question. The details and the attitude of Mr. Bryan are as follows:

b Anti-Trust Plank of 1896.

The absorption of wealth by the few, the consolidation of our leading railroad systems, and the formation of trusts and pools REQUIRE A STRICTER CONTROL BY THE FEDERAL GOVERNMENT OF THOSE ARTERIES OF COMMERCE. WE DE-

*The Kansas City Platform declares: "We favor Direct Legislation wherever practicable."

Mr. Bryan is thus quoted in Prof. Parsons' book on Direct Legislation:

"Democracy is not merely a party name. Democracy has a meaning. Democracy means a government in which the people rule, and that is all we ask for. *We are willing to submit any question that concerns the people of this country to the people themselves.*"

"THE PRINCIPLE OF THE INITIATIVE AND REFERENDUM IS DEMOCRATIC. IT WILL NOT BE OPPOSED BY ANY DEMOCRAT WHO INDORSES THE DECLARATION OF JEFFERSON, THAT THE PEOPLE ARE CAPABLE OF SELF-GOVERNMENT, NOR WILL IT BE OPPOSED BY ANY REPUBLICAN WHO HOLDS TO LINCOLN'S IDEA THAT THIS SHOULD BE A GOVERNMENT OF THE PEOPLE, BY THE PEOPLE AND FOR THE PEOPLE."

Mr. Bryan's attitude as to direct legislation is also shown in the fact that last April the Democratic State Convention in Nebraska declared for direct legislation; and it is said that four years ago, at the Democratic National Convention, Mr. Bryan, as a member of the Committee on Resolutions, labored earnestly for a direct legislation plank, and that it came very near to adoption; but at that time the proposed system was comparatively new in this country.

MAND THE ENLARGEMENT OF THE POWERS OF THE INTERSTATE COMMERCE COMMISSION AND SUCH RESTRICTION AND GUARANTEES IN THE CONTROL OF RAILROADS AS WILL PROTECT THE PEOPLE FROM ROBBERY AND OPPRESSION.

c Mr. Bryan's Attitude Five Years Ago.

During the campaign of 1896 Mr. Bryan said:

"I have been called an anarchist because I have opposed the trusts and syndicates which would manage this country. I am glad to have the opposition of those men. *I am glad that if I am elected there is not a trust or syndicate that can come to me and say,* 'WE PUT YOU THERE, NOW PAY US BACK.'"

Again he said in another speech:

"Mr. Harrison was to debate the question of the survival of our institutions. I will tell him that *the great trusts which are supporting the Republican ticket are a greater menace to our government than anything else we have ever had.* The various trusts of this country, by their representatives, are collecting tribute from the public, *and when we protest against it they call us disturbers of the peace and anarchists. I am opposed to the trusts.* AS AN EXECUTIVE I SHALL USE WHAT POWER I HAVE TO DRIVE EVERY TRUST OUT OF EXISTENCE."

d Anti-Trust Plank of 1900.

EVIL EFFECTS.

Private monopolies are indefensible and intolerable. They destroy competition, control the price of raw material and of the finished product, thus robbing both producer and consumer. They lessen the employment of labor and arbitrarily fix the terms and conditions thereof; and deprive individual energy and small capital of their opportunity for betterment. They are the most efficient means yet devised for appropriating the fruits of the many, and, unless their insatiate greed is checked, all wealth will be aggregated in a few hands and the Republic destroyed.

ARE FOSTERED BY THE ADMINISTRATION.

The dishonest paltering with the trust evil by the Republican party in its state and national platforms is conclusive proof of the truth of the charge that trusts are the legitimate product of Republican policies, that they are fostered by Republican laws, and that they are protected by the Republican administration in return for campaign subscriptions and political support.

DEMOCRATIC POLICY.

We pledge the Democratic party to an unceasing warfare in nation, state and city against private monopoly in every form. Existing laws against trusts must be enforced and more stringent ones must be enacted providing for publicity as to the affairs of corporations engaged in interstate commerce and requiring all corporations to show, before doing business outside of the state of their origin, that they have no water in their stock, and are not attempting to monopolize any branch of business or the production of any articles of merchandise, and the whole constitutional power of congress over interstate commerce, the mails and all modes of interstate communication, shall be exercised by the enactment of comprehensive laws upon the subject of trusts. Tariff laws should be amended by putting the products of trusts upon the free list, to prevent monopoly under the plea of protection. The failure of the present Republican administration, with an absolute control over all the branches of the national government, to enact any legislation designed to prevent or even curtail the absorbing power of trusts and illegal combinations, or to enforce the anti-trust laws already on the statute books, proves the insincerity of the high-sounding phrases of the Republican platform.

Corporations should be protected in all their rights and their legitimate interests should be respected, but any attempt by corporations to interfere with

the public affairs of the people or to control the sovereignty which creates them, should be forbidden under such penalties as will make such attempts impossible.

We condemn the Dingley tariff law as a trust-breeding measure, skillfully devised to give to the few favors which they do not deserve, and to place upon the many burdens which they should not bear.

We favor such an enlargement of the scope of the interstate commerce law as will enable the commission to protect individuals and communities from discriminations and the public from unjust and unfair transportation rates.

e Mr. Bryan's Letter of Acceptance, September, 1900.

Gentlemen:—In accepting the nomination tendered by you on behalf of the Democratic party, I beg to assure you of my appreciation of the great honor conferred upon me by the delegates in convention assembled, and by the voters who gave instruction to the delegates.

I am sensible of the responsibilities which rest upon the Chief Magistrate of so great a nation, and realize the far-reaching effect of the questions involved in the present contest.

In my letter of acceptance of 1896, I made the following pledge:

Will Not Accept a Second Term.

"So deeply am I impressed with the magnitude of the power vested by the Constitution in the Chief Executive of the nation and with the enormous influences which he can yield for the benefit or injury of the people, that *I wish to enter the office, if elected, free from any personal desire, except the desire to prove worthy of the confidence of my countrymen. Human judgment is fallible enough when unbiased by selfish considerations, and,* IN ORDER THAT I MAY NOT BE TEMPTED TO USE THE PATRONAGE OF THE OFFICE TO ADVANCE ANY PERSONAL AMBITION, I HEREBY ANNOUNCE, WITH ALL THE EMPHASIS WHICH WORDS CAN EXPRESS, MY FIXED DETERMINATION NOT, UNDER ANY CIRCUMSTANCES, TO BE A CANDIDATE FOR RE-ELECTION, IN CASE THIS CAMPAIGN RESULTS IN MY ELECTION."

FURTHER REFLECTION AND OBSERVATION CONSTRAIN ME TO RENEW THIS PLEDGE.

Having in my notification speech discussed somewhat at length the paramount issue, imperialism, and added some observations on militarism and the Boer war, it is sufficient at this time to review the remaining planks of the platform.

The Trust Question.

The platform very properly gives prominence to the trust question. The appalling growth of combinations in restraint of trade during the present administration proves conclusively that the Republican party lacks either the desire or the ability to deal with the question effectively. If, as may be fairly assumed from the speeches and conduct of the Republican leaders, *that party does not intend to take the people's side against these organizations,* then the weak and qualified condemnation of trusts to be found in the Republican platform is designed to distract attention while industrial despotism is completing its work.

A PRIVATE MONOPOLY HAS ALWAYS BEEN AN OUTLAW. No defense can be made of an industrial system in which one, or a few men, can control for their own profit the output or price of any article of merchandise. Under such a system the consumer suffers extortion, the producer of raw material has but one purchaser, and must sell at the arbitrary price fixed; the laborer has but one employer, and is powerless to protest against injustice, either in wages or in conditions of labor; the small stockholder is at the mercy of the speculator, while the traveling salesman contributes his salary to the overgrown profits of the trust.

Since but a small proportion of the people can share in the advantages secured by private monopoly, it follows that the remainder of the people are not only excluded from the benefits but are the helpless victims of every monopoly organized. *It is difficult to over-estimate the immediate injustice that may be done or to calculate the ultimate effect of this injustice upon the social and political welfare of the people.*

Our platform, after suggesting certain specific remedies, *pledges the party to an unceasing warfare against private monopoly in nation, state and city.* I HEARTILY APPROVE OF THIS PROMISE. IF ELECTED, IT SHALL BE MY EARNEST AND CONSTANT ENDEAVOR TO FULFILL

THE PROMISE IN LETTER AND SPIRIT.

I SHALL SELECT AN ATTORNEY-GENERAL WHO WILL, WITHOUT FEAR OR FAVOR, ENFORCE EXISTING LAWS; I SHALL RECOMMEND SUCH ADDITIONAL LEGISLATION AS MAY BE NECESSARY TO DISSOLVE EVERY PRIVATE MONOPOLY WHICH DOES BUSINESS OUTSIDE OF THE STATE OF ITS ORIGIN, and if, contrary to my belief and hope, a constitutional amendment is found to be necessary, I shall recommend such an amendment as will, without imparing any of the existing rights of the States empower Congress to protect the people of all the States from injury at the hands of individuals or corporations engaged in interstate commerce.

Tariffs and Monopoly.

The platform accurately describes the Dingley tariff law when it condemns it as a "trust-breeding measure, skillfully devised to give to the few favors which they do not deserve, and to place upon the many burdens which they should not bear." *Under its operation trusts can plunder the people of the United States,* WHILE THEY SUCCESSFULLY COMPETE IN FOREIGN MARKETS WITH MANUFACTURERS OF OTHER COUNTRIES. Even those who justify the general policy of protection will find it difficult to defend a tariff which enables a trust to exact an exorbitant toll from the citizen.

Corporations Must Keep Out of Politics.

The Democratic party makes no war upon honestly acquired wealth, neither does it seek to embarrass corporations engaged in legitimate business, *but it does protest against corporations entering politics* AND ATTEMPTING TO ASSUME CONTROL OF THE INSTRUMENTALITIES OF GOVERNMENT. A corporation is not organized for political purposes, and should be compelled to confine itself to the business described in its charter.

Honest corporations, engaged in an honest business, will find it to their advantage to aid in the enactment of such legislation *as will protect them from the undeserved odium which will be brought upon them by those corporations which enter the political arena.*

Interstate Commerce.

THE REPUBLICAN PARTY HAS PERSISTENTLY REFUSED TO COMPLY WITH THE URGENT REQUEST OF THE INTERSTATE COMMERCE COMMISSION FOR SUCH AN ENLARGEMENT OF THE SCOPE OF THE INTERSTATE COMMERCE LAW AS WILL ENABLE THE COMMISSION TO REALIZE THE HOPES AROUSED BY ITS CREATION. THE DEMOCRATIC PARTY IS PLEDGED TO LEGISLATION WHICH WILL EMPOWER THE COMMISSION TO PROTECT INDIVIDUALS AND COMMUNITIES FROM DISCRIMINATION AND THE PUBLIC AT LARGE FROM UNJUST AND UNFAIR TRANSPORTATION RATES.

The remaining portions of the letter are devoted to the other issues.

An insight into Mr. Bryan's personal history and a clear-cut statement of his determination to secure a return to equal rights in the government and before the law are given in the following extract from his speech of September 5th of this year. Mr. Bryan said:

Bryan's Ideal As to a Government.

Whatever I am, I owe it to the support which I have received from the great mass of the people who bear without reproach the name of the common people. They have given to me whatever prominence I have in public life, and I am indebted to them for all I hope for in politics. But if I can do nothing else, I may show you how, in a free country, the people can select from among themselves one who represents their ideas.

I can show you how, in a country like this, an American may become conspicuous with nothing behind him but an earnest desire to see carried into effect fundamental principles, and to that extent may be a help to young men of this country. I want this Government *to remain such a Government that the sons of every citizen can aspire to the highest rewards in business or in politics.*

I want it to be so that you will not ask who a man's father was; whether great or humble, rich or poor. *I want all the avenues kept open so that every child born into the world will have something to hope for.* And when I ask that, I am not unselfish. I am a selfish man. I am interested in these questions not as a candidate, but as a citizen. My father was a lawyer and I practiced until I became so busy prosecuting the Republican party for grand larceny that I did not have time to deal with the people charged with petty larceny. But I do not know what my boy will be, and I have two daughters, and I don't know what my sons-in-law will be.

"I do not want a government that is good only for lawyers. I do not want a government that is good only for bankers. I do not kant a government that is good only for those who may be fortunate enough to stand at the head of great corporations. I WANT A GOVERNMENT THAT WILL PROTECT EVERY CITIZEN IN THE ENJOYMENT OF LIFE AND LIBERTY AND IN THE PURSUIT OF HAPPINESS, AND GUARANTEE TO ALL A FAIR SHARE OF THE PROCEEDS OF HIS OWN TOIL."

In the preceding pages we have considered the causes of trusts and the remedies. Let us now ascertain the extent of the trust development:

3 EXTENT OF MONOPOLY DEVELOPMENT IN PRODUCTION AND TRADE.

a THE SITUATION ONE AND ONE-HALF YEARS AGO.

b THE SITUATION TODAY.

(1) *Outline.*
(2) *The Railway Monopoly.*
(3) *The "Permit" System of Slavery.*
(4) *General Effect of Trusts on Labor.*
(5) *The Trusts and the Farmers.*
(6) *The Trusts and the Distributing Classes.*
(7) *Rapid Tendency of All Monopolies to Eventually Become One Great Private Monopoly.*
(8) *Remarkable Increase in Monopoly Profits.*
(9) *Excessive Exports.*
(10) *Excessive Exports Caused by "Growing Surplus."*
(11) *To Obtain a Market for "The Surplus," Foreign Conquest Has Been Entered Upon and is Now a Settled Policy.*
(12) *Chattel Slavery Re-established Under the Stars and Stripes—A King and Princes Under the Sovereignty of the United States.*
(13) *An Imperial Executive.*

c. SUMMARY: THE QUESTION AT ISSUE.

a The Situation One and a Half Years Ago.

More than a year and a half ago, that is early in the year 1899, the New York *Journal of Commerce* published its year book. In an editorial it presented "a summary of approximately complete statistics of the trust organizations in the United States." The term "trust" as herein used is "in its broadest popular sense; as covering not only consolidated corporations, framed for directly monopolistic purposes, but also alliances of independent organizations acting under a common understanding for the purpose of less directly regulating or defeating natural competition, the latter being but a small proportion of the whole."

The following is the summarization:

At the end of February these combinations numbered 353, and they had issued a total of $5,118,500,000 of capital stock and $714,389,000 of bond obligations. THESE FIGURES SHOW AN INCREASE, OVER THOSE WE PUBLISHED A YEAR AGO, OF 76 PER CENT IN THE NUMBER OF INSTITUTIONS AND 60 PER CENT IN THE COMBINED STOCK AND BONDED DEBT; *which indicates the extraordinary rapidity with which the movement has spread within the last twelve months.*

What proportion of the entire manufactures of the United States has passed under this new form of organization may be inferred from the fact that the census of 1890 values the entire capital then employed in the manufacturing and mechanical industries at $6,525,000,000, which includes all the minor or retail work done by small individual proprietors. THIS MEANS THAT THE TOTAL CAPITALIZATION OF THESE COMBINATIONS IS EQUAL TO ABOUT 90 PER CENT OF THE ENTIRE MANUFACTURING INVESTMENTS OF 1890. About the only important branch of industry that has escaped the trust invasion is that of textiles; *and if we eliminate that department from the total for* 1890, THE PRESENT CAPITALIZATION OF THE MONOPOLISTIC INDUSTRIES WILL BE FOUND TO ABOUT EQUAL THE VALUATION OF THE LAST

CENSUS. These facts will indicate with approximate clearness how closely our industrial system has approached a complete absorption under monopolist control. * * *

THE CHANGE IS THE MOST STUPENDOUS REVOLUTION EVER ACCOMPLISHED IN THE HISTORY OF THE WORLD'S INDUSTRIAL GROWTH. ITS SUDDENNESS IS AS REMARKABLE AS ITS MAGNITUDE. It has come with none of the careful deliberation that usually attends the investment of great aggregations of capital. It has been guided by no precedent experience. It is no gradual result of a natural evolution. [It has been caused, very largely, by the repeal of restrictions on railway discriminations; see page 3, above.] *It is a reversal of all that economists have accepted as fundamental axioms of trade.* IT IS AN UNDELIBERATED REVOLT AGAINST THE MOST ESSENTIAL FORCE IN THE REGULATION OF PRODUCTION, DISTRIBUTION AND VALUES—THE NATURAL LAW OF COMPETITION. *It amounts to complete disruption of the relations between the industrial forces and classes of society. It is an extinguishment of the voluntary exchanges between the producing and merchanting interests,* AND THE CREATION OF ONE EXCLUSIVE PRODUCING ORGANIZATION FOR EACH INDUSTRY, *to which all other material interests must yield subjection.* INDUSTRY AT LARGE IS ORGANIZED INTO A SYSTEM OF FEUDALIZED CORPORATIONS, EACH ONE OF WHICH ENJOYS ABSOLUTE POWER WITHIN ITS SPECIAL BRANCH OF PRODUCTION, WHILE, TAKEN IN THE MASS, THE SYSTEM CONSTITUTES ITSELF THE SUPREMEST TRADE POWER IN THE NATION. These innovations upon the fixed methods of industry, though fundamentally affecting the citizen's free access to the opportunities of industrialism, *take little account of legalities, equally ignoring the law as it stands and as it may possibly be changed to meet the case.* This headlong precipitancy has pursued its purpose almost without forethought; *certainly with slight consideration for trade moralities or for the weightiest of human liberties, and with little regard for the perils to public order* WHICH THE OUTWORKINGS OF THE SYSTEM ARE TOO LIABLE TO EVOKE.

In advance of the event it would not have been deemed possible that the most responsible capitalists could at one bound take such a daring leap into the dark. *The change is at best a stupendous experiment. * * * It places nearly our entire industrial system upon the monopolistic basis.* THAT IS A VENTURE UNPARALLELED IN THE HISTORY OF MATERIAL CIVILIZATION; and not merely the manufacturing interest but the still vaster interests thereon dependent *can but await the outcome with an expectancy that must grow more intense as the trial progresses.*

Observe that this was written one and a half years ago, and before the monopoly power had shown to the public that it was planning to hold the Philippines by force, thus to secure their franchises and loot them in other ways. Observe also the preceding statement about the "slight considerations for trade moralities or for the weightiest of human liberties."

Some things are claimed for the new conditions which many are disposed to concede. Undoubtedly the great expansion of machine production, for instance, calls for the employment of much enlarged capitals; *but it surely does not follow that this principle may be logically or safely carried to the length of giving to each industry one sole organization and a single mammoth capital, in preference to having several large competing capitals.* Equally, it must be granted that the consolidation of a number of competing capitals into one concern should be attended with important economics in management. *But it is not to be denied that such concentrations of management will be subject to countervailing offsets from the absence of the stimulus of competition; from the uncertainty about the management falling into the best possible hands; from the discouragement to invention which always attends monopoly; and from the possibility that the administration may be intrusted to "friends" rather than experts. And, above all, it can not be assumed that any savings from these economics will go to consumers rather than proprietors, when a very large proportion of the common stock represents not actual capital invested, but assumed earnings which will naturally be demanded by the stockholders.*

Among the things to be determined by this experiment are the following:

QUESTIONS TO BE DETERMINED.

(1) Whether, with the vast constant

increase in the national capital, it will be found possible for the monopolies to long protect themselves against outside competition.

(2) What will be the recourse sought by the great and wealthy *distributing class* WHO WILL FIND THEMSELVES AT THE MERCY OF THE TRUSTS AND WHOSE SERVICES THE LATTER WILL PROBABLY ULTIMATELY SEEK TO DISPENSE WITH?

(3) Will this superseded class of middle-men employ their large means in resort to manufacturing in competition with the trusts?

(4) So with the producers of raw materials, who so far as respects the home market will have but one customer, for whose single wants they will all be competitors—*will they be disposed to join cause with the displaced or dominated distributers in establishing competition against the monopolies?*

(5) Can the trusts fulfill their promises of cheapness to consumers and yet earn dividends upon their inflated stock issues? And if not, what will become of those promises?

(6) If the liberal working capitals with which the "trusts" are now prudently protecting themselves should disappear in catering to speculative operations in their stocks and in satisfying the clamor of stockholders, what would be the disposition of the banks to extend loans to institutions constituted and exposed to new dangers as these are? *Would the banks, in such case, become the backers of the monopolies?*

(7) With the trusts pledged to low prices on the one hand and to dividends on watered stock on the other, WHAT WILL BE THE POSITION OF LABOR UNDER THE NEW SYSTEM? IF THE TRUSTS' RESTRAINTS UPON PRODUCTION CREATE A REDUNDANCY OF LABOR, WHAT WILL BE THE EFFECT UPON WAGES? WILL THE ONUS OF MONOPOLY, IN THE LONG RUN, FALL UPON THE BACK OF THE WORKINGMAN?

(8) How will the monopolies protect themselves against competition from foreign factories where prices are not officially promulgated? Do they expect to have the tariff raised to suit their convenience? If not, how can they escape the effects of external competition? Moreover, *if a resentment in public opinion should so shape politics as to bring about a reduction in the tariff*, would not the purpose of the monopolies be neutralized and their imagined advantages be dissipated?

(9) *Is there any probability that ultimate resentments among the distributing and raw material producing classes may induce them to encourage such a change in our tariff policy?*

(10) As it is the professed purpose of the monopolies to maintain prices on a full profit paying basis, *what will become of the large increase in our export of manufactures which has arisen during recent years* FROM SELLING OUR EVER-GROWING SURPLUS TO FOREIGNERS AT THE LOWEST POSSIBLE PRICES?

(11) Is a hard and fast combination to protect prices compatible with securing an expansion of our foreign markets commensurate with our capacity for production, with the increase in our supply of labor, and with the unprecedented gain in the amount of capital seeking employment?

(12) ARE THE AMERICAN FORCES OF CAPITAL AND LABOR CAPABLE OF BEING HELD IN RESTRAINT FOR THE CONVENIENCE OF THESE COMBINATIONS?

These are problems which the new system of industrialism has courageously propounded; *and for a considerable period they must occupy the anxious attention of the American people.* We can only hope the popular temper will maintain its equanimity through this prospective trying ordeal.

b The Situation Today.

(1) OUTLINE.

The foregoing description of the situation and statement of principles involved, was published more than one and a half years ago by the leading commercial journal of New York City. During the months which have elapsed the tremendous change has been working out its results. Some of which are as follows:

Monopoly has been extended. During the early months of last year there was a perfect flood of combinations, and they are being extended continually.

(2) THE RAILWAY MONOPOLY.

Nearly all the railroads have now passed the competitive stage, both as to freight charges and the rate of wages. They have increased the freight rates and lowered the cost of running the roads by means of consolidation, and have refused to advance wages in pro-

portion to the rise in the prices of the things which their workmen must purchase. An example of the power and iniquity of the railway monopoly is the fact that the anthracite coal roads are refusing to advance the wages of the coal miners, and as a result, a labor strike is "on," in which more men are involved than were ever before in any strike in this country. The president of the United Mine Owners states that the nine presidents of the anthracite coal roads are the responsible parties. They have refused to arbitrate—such is the attitude of the monopoly barons.

(3) THE "PERMIT" SYSTEM OF SLAVERY.

Blacklisting has been developed to a remarkable extent. The following, by Mr. W. J. Strong, is an outline of the situation:

It (the blacklist) denies the toiler the right to work when he can find an opportunity.

The system has become thoroughly established among the steam railroads of the country, and its efficiency as a means to subjugate labor and to destroy the power of labor unions has been so thoroughly demonstrated by the railroads that *it is now being adopted by many other branches of corporate industry, such as street railroads, which have formed a national organization: the great packing establishments, clothing manufacturers, telegraph companies, coal mines, iron and steel mills, and even the retail dry goods and department stores.* IT NOW THREATENS THE LIBERTIES AND THE INDEPENDENCE OF ALL CLASSES OF LABOR; YEA, IT THREATENS THE VERY EXISTENCE OF REPUBLICAN INSTITUTIONS.

The blacklist is especially dangerous by reason of the fact that the means whereby organized capital effects its objects, while more far-reaching in their efforts for evil than the weapons of organized labor, *work for the most part silently, and do not create the local disorders which follow strikes and the boycotts of laborers.*

And it is undoubtedly for this reason that courts find it possible to give definite redress against boycotts and strikes, while generally similar combinations of capital escape, and the public knows nothing of them.

It has been my fortune to be employed in the prosecution of the cases against the railroads for blacklisting the men who quit work during the strike of 1894, commonly known as the A. R. U. strike, and while engaged in these cases I have learned the following facts, which I propose to detail to you tonight so that you may know upon what I base my charges. This question has passed beyond the stage of platform agitation and rhetorical protest, *as the facts have been proved in courts of justice under the strict legal rules of evidence.* The charge in these cases is that the railroads in the United States entered into a conspiracy to prevent every man who quit work during that strike from getting employment from any other road, without he first had consent of the railroad he last worked for prior to that strike, and that in pursuance of that conspiracy they agreed to give, and did give, to each other information concerning all their men who quit during that strike; and when it was learned by any road to which one of those men applied for employment that he had quit during the strike, he was denied employment unless he produced from his last employer his consent that he might be employed; this consent being commonly called among railroad men "a clearance."

When my right to leave my employer and get work elsewhere depends upon his consent, HE BECOMES MY MASTER AND I HIS SLAVE.

(4) GENERAL EFFECT OF TRUSTS ON LABOR.

The following description of the Labor situation is set forth in the Report of the Indiana Labor Commission for 1897-98:

"No propositions involving settlements of labor controversies involve as great obstacles as those in which Trusts are parties to agreements. In every encounter with labor *the workingman, however just his cause, emerges from the conflict the greater sufferer. Their opportunities in regard to wage reductions are exceptional, and their desires are always equal to their opportunities. They are not trammeled by State laws and they defy Federal authority.*

"These combines are created by the association into one corporation, and under one control are a number of factories in the same industry, usually located in different States. At the time of their formation they generally present

diverse wage conditions. The first thing sought by every well-regulated trust is uniformity in the condition of output. This is accompanied by a readjustment of wages. The singular uniformity of method adopted by all combines in such efforts makes it little less than a marvelous coincidence. The wage conditions in the different factories of the combine are minutely analyzed, and the various methods of production are studied, *then the readjustment begins. Singular as it may seem, this process never proceeds upward, but always downward.* That factory in the combine paying the least wages is chosen as the standard by which all the others must be measured. If a protest against a reduction is filed, it is not heeded. If a strike follows, all propositions aiming at conciliation or arbitration are rejected, *the factory at which the scene of the disturbance is located is 'closed down for repairs,' and the workmen are starved into submission.* If, perchance, this method of subjugation proves ineffective, then, with a readiness and convenience that seems to be born of the eternal fitness of things, the power and authority of the Federal Courts are invoked. Blanket injunctions are prayed for to restrain strikers from molesting the illegally constituted combines in doing those things which the law prohibits. *The eagerness with which injunctions are sought is only equaled by that with which they are granted.* THUS THESE UNLAWFUL INSTITUTIONS FEAST TO SATIETY UPON DESPOILED LABOR, DESTROY HONORABLE COMPETITION, STIFLE LEGITIMATE ENTERPRISE, APPRECIATE THE PRICE OF THEIR PRODUCTS TO EXTORTION, AND LEVY UNJUST TRIBUTE UPON THE CONSUMER, ALL IN VIOLATION AND DEFIANCE OF THE LAW."

We have partially described the effect of the great monopolies on labor. It shows the manner in which the new system forces down the prices of things it must purchase. The farmer's products are also held down in price by the monopolies. Let us briefly examine the situation:

(5) THE TRUSTS AND THE FARMERS.

The farmers' finished products are sent to market and therefore must be transported. *The transportation lines are in the hands of monopolists, and the rates are in nowise regulated by the Government.* (This is described in the foregoing pages by the Interstate Commerce Commission and also by Judge Prouty of that Commission.) Excessive freight charges are taken from the farmers and consumers *by the force of private monopoly.* It is highway robbery backed up by the Federal Government which has refused to restore to the Interstate Commerce Commission the right to prevent excessive freight rates and discriminations.

The extent of the excessive freight charges combined with the undue profits of the grain buyers' monopoly (page 69, above) *amounts to millions and millions of dollars.* IN KANSAS ALONE IT IS CLAIMED THAT THE FARMERS ARE ROBBED OF ABOUT 70,000,000 DOLLARS ANNUALLY.

The second source of robbery of the farmers is *excessive freight charges on the things they purchase;* a third *the excessive prices charged by the monopolies in production and trade;* a fourth *the reduced purchasing power of the people,* thereby lowering the prices of farm products; a fifth *the increased taxation due to monopoly profits in the government.* This includes the taxation due to the war in the Philippines—a war which would not have occurred had the Cuban policy been applied to those islands. The Reform Forces in the Senate were the means of securing to the Cubans their promise of independence, but, when the Philippine case was passed upon, the power of the monopolists had further developed, and they then secured what they worked for but were unable to obtain in regard to Cuba.

The increase in the national tax is nearly 100 per cent. This is astounding. It was $25 per family of five when the Spanish war began, and now it is nearly $50. Yet the policy of foreign conquest, with its increase in the standing army at home, is only just begun.

(6) THE TRUSTS AND THE DISTRIBUTING CLASSES.

Among the questions raised by the development of monopoly, is the effect on the great and wealthy distributing classes. This question was asked a year and a half ago in the above quoted article of the *Journal of Commerce. The answer has been coming steadily and sure during the succeeding months.* The results have been so great and far-reaching as to require a small volume to describe them. At this time we can simply state that the small dealers are being swept out of existence, and those who continue in business are subjected to greater and greater restrictions by the monopolies whose goods they handle. *So extensive are these restrictions, and so great the power of the manufacturing and distributing monopolies, that no one knows at what time the present tendency will bring forth the command that the Department Store plan* SHALL BE EXTENDED TO ALL THE PRODUCTS OF THE MONOPOLIES, WITH BRANCHES THROUGHOUT ALL THE CITIES AND TOWNS, IN PLACE OF ALL INDEPENDENT STORES AND DEALERS.

It would be only an extension of the present rapid tendency which, if unchecked, must soon bring about one solid monopoly. This is demonstrated by a brief examination of the subject:

(7) RAPID TENDENCY TOWARD ONE GREAT MONOPOLY IN PRIVATE HANDS.

He who controls the raw material has power to control everything that is made from that material. For example, the rubber trust has controlled the bicycle trust because of its control of rubber tires. But later there was established a monopoly in iron ore (see page 75, above), and now the men in control of iron ore have dominion over everything that is made of iron or steel, or soon will have if the present tendency continues. This has such an extended meaning that it can only be grasped piecemeal. Iron and steel enter into the construction of buildings, wagons, and implements of all kinds. And monopoly after monopoly is being formed in the products of iron and steel. A bridge monopoly has just been organized, *and throughout all the industries which use iron, monopolies will be established if the present tendency of fostering monopolies by legislation be continued.* The monthly profits of the principal monopolies are sufficient to buy several industries, and we know that these men are extending their purchases in all directions. Rockefeller alone has, since the first of the year, received from just *one* monopoly something like $25,000,000. So extensive is the income of the monopoly barons that they are investing in bonds of the English Government and of the German Government. They have recently invested $50,000,000 in this way.

One of the motives in purchasing the bonds of foreign governments is, doubtless, the uncertainty that is felt by the monopolists as to the future. The monopoly formation is not within the control of any one of these men, except as he may operate to change the laws, but this they are all unwilling to do. The power they are exercising they are not willing to abdicate. *Therefore, the experiment in monopolization of industry must continue until the masses of the people interpose.* THEY CAN DO THIS BY ELECTING BRYAN AND THE CONGRESSMEN AND SENATORS PLEDGED TO WORK WITH HIM, OR THEY CAN CONTINUE THE PRESENT ADMINISTRATION, WITH THE ABOVE DESCRIBED MONOPOLIES, AND THEN REAP THE WHIRLWIND. The rapid development of private monopoly is leading to such a depression that the American people will not be likely to continue it for another four years. (The present tendency to depression is outlined at pages 13 to 17). It may be that two years hence the election of a Democratic House and Senate will result in legislation such as McKinley would not dare to veto. There would also be considerable likelihood of an armed revolution starting in some great labor strike and

extending throughout the country. If this should come then the men who have purchased the bonds of the British and the German governments can go abroad and still be millionaires. If revolution comes their properties in this country will be confiscated just as was the property of the slave-holders 37 years ago. Long-headed monopolists should endeavor to stop the fostering of monopoly by legislation. In their own interests they should do this. They are frightened, we know, and thoroughly frightened. The remarkable change from the competitive system to that of monopoly has, in its two years of life under private control, developed such tendencies that the wisest of the monopolists are thoroughly scared. Professor Small, of the Rockefeller University, stated this fact nearly two years ago, and events have accentuated this fright. Three years ago a New York banker, in conversation with the writer, stated that the existing tendency means "anarchy, I guess."

Let us next direct our attention to the remarkable increase in the profits from private monopoly:

(8) THE REMARKABLE INCREASE IN PROFITS FROM PRIVATE MONOPOLY.

The effect of private monopoly is to increase the profits of each concern. *In proportion, then, as private monopoly has been developed there has been an increase in the profits of the owners of these monopolies.* THE EXTENT of the increase in monopoly has been so great that a year and a half ago the capitalization of the private monopolies amounted to 90 per cent of the entire capital invested in manufacturing for the year 1890. *What, then, must* NOW *be the profits of all these great monopolists?* They are so great that the mind can scarcely grasp their magnitude. One method of examination is to look into the several ways whereby the profits are invested. One line of investment is the purchasing and monopolization of other industries; another, the repurchase of American securities; a third, investment in the bonds of Great Britain, Germany and other foreign countries.

(9) Excessive Exports are one Source of Monopoly Profits.

A portion of the profits are secured from the export of the "surplus," as it is called. This "surplus" has increased in about the proportion that monopoly has increased. Statistics demonstrate that this is so, and they are set forth in the McKinley Platforms. It says:

"*While during the whole period of* 107 *years from* 1790 *to* 1897, *there was an excess of exports over imports of only* $382,028,497, *there has been in the short three years of the present Republican administration* AN EXCESS OF EXPORTS OVER IMPORTS IN THE ENORMOUS SUM OF $1,483,537,094."

Observe that this tremendous increase in our exports COINCIDES EXACTLY WITH THE DEVELOPMENT OF MONOPOLY IN THIS COUNTRY. It was in 1897 that the Supreme Court took from the Interstate Commerce Commission its power to prevent railway discriminations, and since then there has been such a development that they embrace nearly all the great lines of industry.

During the year 1898 the capitalization of monopolies increased 60 per cent, "which indicates," said the *Journal of Commerce*, "somewhat the rapidity with which the movement has spread in the last twelve months."

(10) Excessive Exports Caused by the Growing Surplus.

As demonstrated in the preceding paragraph, the effect of the development of monopoly in production and trade is a growing "surplus." In other words, the change from competitive prices to prices fixed by boards of directors, has resulted in a surplus—the wages and

other incomes received by the producers is not sufficient to purchase all their productions. That which is left over and goes to the owners of the private monopoly is a "surplus." It was different when prices were fixed by competition; i. e., the law of supply and demand. Then the supply met the demand, *that is, the price was such as to work off the entire product among our own people and in the payment of their debts*, except during the periods when the volume of money was not sufficient to maintain a stable or rising price level; (page 7, above). *But now the law of supply and demand is banished from nearly all the great industries, and in its place we have prices fixed by boards of directors. The result is, that selling prices are too high and buying prices too low.* THE PRODUCT WHICH THE AMERICAN PEOPLE CANNOT BUY IS TERMED "SURPLUS," AND THE ENDEAVOR IS BEING MADE TO FORCE A MARKET FOR IT IN FOREIGN LANDS. Statements to this effect have been, and are being made by everyone familiar with the subject. An example is as follows: Senator Chauncey M. Depew, in a speech at the Republican National Convention, in Philadelphia, last June, is thus reported:

What is the tendency of the future? Why this war in South Africa? Why this hammering at the gates of Pekin? Why this marching of troops from Asia to Africa? Why these parades of people from *other empires* and other lands? IT IS BECAUSE THE SURPLUS PRODUCTIONS OF CIVILIZED COUNTRIES OF MODERN TIMES ARE GREATER THAN CIVILIZATION CAN CONSUME. It is because this over-production goes back to stagnation and to poverty.

THE AMERICAN PEOPLE PRODUCE $2,000,000,000 WORTH MORE THAN WE CAN CONSUME, *and we have met the emergency*, and by the providence of God, by the statesmanship of William McKinley and by the valor of Roosevelt and his associates (applause), we have our market in Cuba, *we have our market in Porto Rico, we have our market in Hawaii, and we have our market in the Philippines, and we stand in the presence of* 800,000,000 *people* [Chinese and other orientals] *with the Pacific as an American lake* and the American artisan producing better and cheaper goods than any country in the world, and, my friends, we go to American labor and to the American farm and say that *with McKinley for another four years there is no congestion for America.* Let invention proceed, let production go on, let the mountains bring forth their treasures, let the factories do their best, let labor be employed at the highest wages, BECAUSE THE WORLD IS OURS AND WE HAVE CONQUERED IT by Republican principles and by Republican persistency in the principles of American industry and of America for Americans. (Applause.)

Let the reader mark well Senator Depew's estimate of the amount of "surplus"—namely, $2,000,000,000 annually. This is "more than we can consume." Yes, that is true, *for private monopoly is the force which prevents our people from consuming the products they produce*, which they did before the change to monopoly prices. Is it not a fact that the *Journal of Commerce* was right when it declared, one and one half years ago:

The change from competitive prices to those of private monopoly is the most stupendous revolution ever accomplished in the history of the world's industrial growth. * * * It is an undeliberated revolt against the most essential force in the regulation of production, distribution, and values—the natural law of competition. It amounts to complete disruption of the relations between the industrial forces and classes of society. It is an extinguishment of the voluntary exchanges between the producing and merchanting interests, and the creation of one exclusive producing organization for each industry, to which all other material interests must yield subjection. Industry at large is organized into a system of feudalized corporations, each one of which enjoys absolute power within its special branch of production, while taken in the mass the system constitutes itself the supreme trade power in the nation. These innovations upon the fixed methods of industry, though fundamentally affecting the citizen's free access to the opportunities of industrialism, take little account of legalities, equally ignoring the law as it stands and as it may pos-

sibly be changed to meet the case. This headlong precipitancy has pursued its purpose almost without forethought; certainly with slight consideration for trade moralities or for the weightiest of human liberties, and with little regard for the perils to public order which the outworkings of the system are too liable to evoke.

11 To Obtain a Market for the "Surplus," Foreign Conquest has been Adopted and is Now a Settled Policy.

This description of the system of private monopolies was penned more than a year and a half ago, and succeeding months have demonstrated the accuracy of the picture.

The result has been that *today "the American people produce* [to quote Senator Depew's words] $2,000,000,000 *worth more than we can consume,* AND WE HAVE MET THE EMERGENCY, *and by the providence of God, by the statesmanship of William McKinley and by the valor of Roosevelt and his associates* WE HAVE OUR MARKET IN CUBA, WE HAVE OUR MARKET IN PORTO RICO, WE HAVE OUR MARKET IN HAWAII WE HAVE OUR MARKET IN THE PHILIPPINES, AND WE STAND IN THE PRESENCE OF 800,000,000 PEOPLE WITH THE PACIFIC AS AN AMERICAN LAKE."

This is a description of the cause of the war of conquest in the Philippines; of the holding of subjects in Porto Rico, and of the demand for further conquest on the part of the trust magnates. They must, they say, find a market for their "surplus," and then as they get their clutches upon the foreign people, through the control of the government, they take to themselves the franchises and whatever else there is of commercial value. The following is a description of these harpies in human form:

"I must say a word about the Jingoes," said Dr. Schurman, President of the Philippine Commission, in an address at Chicago, February 22, 1900. "*The Jingoes are a sect who hold that everything is ours that we can lay our hands on; and that other people have no rights which we need respect.* THEIR PHILOSOPHY OF THE PHILIPPINE QUESTION IS EXCEEDINGLY SIMPLE. IT IS THIS: GREED IN THEIR HEARTS, GOLD IN THE PHILIPPINES, AND GOD IN HEAVEN TO SATISFY THE APPETITE WITH ITS DESIRED OBJECT. The inhabitants of the archipelago, of whom there are some 8,000,000, *never enter into their calculations, or if they do it is simply as material for exploitation or food for bullets.* EIGHT MILLION FILIPINOS WITH NO LEGAL OR MORAL RIGHTS THAT WE NEED TO CONSIDER! EIGHT MILLION IMMORTAL SOULS TO BE TREATED AS MERE CHATTELS! YET THIS IS THE GOSPEL OF THE JINGOES. . . . THE AMERICAN PEOPLE WILL IN DUE TIME PUNISH THEM FOR THEIR INFAMY."

12 Chattel Slavery and Polygamy Under the Stars and Stripes—A King and Princes Under the Sovereignty of the United States.

The jingoes have adopted the British system of holding subjects, and have gone much further than this. They have re-established chattel slavery and polygamy under the Stars and Stripes. Our flag floats over the Sulu Islands, where chattel slaves can "purchase their freedom by paying to their master the market price." This demonstrates the extent to which the jingoes have gone. In other words, the trust magnates have become conscienceless.

Furthermore, the Star Spangled Banner floats over a harem! and the Sulu King and Princes, subordinates of McKinley, are protected polygamists!

13 An Imperial Executive.

The so-called President of the United States for eighteen months has been the ruler of 10,000,000 people on the other side of the globe. The trust representatives in Congress turned everything over to Mr. McKinley, and in the Philippines he has had full and sole power with no limitations whatever. Cæsar had less power than this. It was only after long intervals that the Roman Emperor knew what was going on in his outlying possessions, therefore, his vice-emperor could have his conscience worked upon by what passed under his eyes, but McKinley, who has never seen the people he is so arbitrarily ruling, is in unin-

terrupted communication with his representatives in the Philippines, and through them the edicts go forth.

(14) Summary: The Question at Issue.

If the voters of this country, who are the sovereign power at election time, cast their ballots in indorsement of the Administration, they change the Republic of the United States to an Empire and ratify the re-establishment of Chattel Slavery and Polygamy. They also continue Private Monopoly, which is the cause of the policy of Conquest Abroad, and in the United States of the infamous "Permit System," Government by Injunction and Robbery of the People.

In another division we shall present the evidence which demonstrates that the United States will be an Empire if the present policy of foreign conquest is ratified by the voters. And we shall also present with considerable detail, the effects of the policy of Empire. Before going into these details we shall summarize the main facts and principles demonstrated by the evidence presented, and that that is to be presented in the remaining pages.

DIVISION III.

Summarization of the Evidence--Comparison of the Policies of the Administration and the Democratic Party.

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PART I.
HOME POLICIES.

1. EQUAL RIGHTS IN THE GOVERNING POWER

a Brief History of the Doctrine.

Until two years ago all the political parties in the United States professed to abhor the idea of *unequal* rights in the governing power. That is, they were all ostensibly agreed upon the policy inaugurated by the Fathers with the Declaration of Independence, that all men should be equal before the law and should have an equal voice in the government.

b Infringement of Equal Rights in Government and the Evil Results.

But this policy of equal rights in the governing power has been infringed these many years, by means of Legislative Grants of Monopoly Privileges, *the profits from these privileges being used to influence the* NOMINATION AND ELECTION OF REPRESENTATIVES, *and to further influence these representatives* IN THE ENACTMENT OF LAWS.

This has been a serious breach in the doctrine of equal rights in the governing power, AND AS A RESULT OUR LAWS ARE SUCH THAT PRIVATE MONOPOLIES EXIST IN PRACTICALLY ALL THE GREAT INDUSTRIES. In other words, a monopoly charge (a Private Tax) is levied in all directions. For example, there is a private tax for traveling over the highway by modern methods of transportation or for shipment of freight. There is a private tax for the transmission of messages by electricity. There is a private tax for the use of light from gas, electricity, or kerosene. There is a private tax on sugar, wheat, flour, fruit, vegetables, crackers, bread, etc. There is a private tax on leather, matches, whiskey, tobacco, clothing, etc. There is a private tax on lumber, steel, brick, etc. There is a private tax on chairs, carriages, pianos, bicycles, window shades, and a private tax on even the coffin in which at last the subject of the monopoly barons is buried. The aggregate amount of private tax is so great that the few monopoly barons are each month buying up several industries, and thus are extending their power at a tremendous rate. In the United States alone it is estimated to be greater than $2,000,000,000 annually. The people are told that the portion of the annual product which the monopoy barons cannot squander upon themselves, and therefore must be shipped abroad, is a "surplus."

To obtain a market for this "surplus" the monopoly barons, through the Federal Government, have entered upon an era of conquest, and under the law of the land *are holding subjects: the people of Porto Rico and of the Philippines* HAVE NO LEGAL TITLE TO A SHARE IN THE GOVERNING POWER. *This breach of the doctrine of equal rights in the governing power resulted from the indirect breach whereby monopoly was placed in private hands..* THE AGGREGATE AMOUNT OF THE PRIVATE TAX IS SUCH THAT 1 PER CENT OF THE FAMILIES IN THIS COUNTRY OWN 99 PER CENT OF ITS WEALTH.

c The Policy of the Democratic Party.

THE POLICY OF THE DEMOCRATIC PARTY, BACKED BY THE SILVER REPUBLICAN AND PEOPLE'S PARTIES, IS TO ABOLISH PRIVATE MONOPOLY AND FREE THE FILIPINOS AND THE PORTO RICANS; in other words, FREE THE PEOPLE OF THE UNITED STATES AND OF THE SEVERAL DEPENDENCIES.

Furthermore, the policy of the Fusion Party is that THE PEOPLE SHALL ELECT THE UNITED STATES SENATORS AND THAT CORPORATIONS SHALL NOT BE PERMITTED TO INTERFERE "WITH PUBLIC AFFAIRS OF THE PEOPLE, OR TO CONTROL THE SOVEREIGNTY WHICH CREATES THEM." But greater than all this is a declaration for THE TRANSFER OF THE LEGISLATIVE POWER FROM ELECTED RULERS TO THE PEOPLE THEMSELVES, thus restoring and extending the doctrine of equal rights in the governing power.

d The Policy of the Administration.

The Administration is opposed to these restorations and to the extension of equal rights.

2 EQUAL RIGHTS BEFORE THE LAW.

a A Remarkable Absence of Equal Rights Before the Law.

As set forth in the preceding section, there is a remarkable absence of equal rights before the law, for private monopoly—special privilege—is existent in nearly all the great lines of industry. Some of the results are as follows:

A system of Taxation for Private Purposes.

The "Permit" System of Slavery—the blacklist is now used in practically all the private monopolies.

One of the methods of control in this "permit" system is Government by Injunction: that is, the Abolition of Trial by Jury.

Another portion of the system is Military Law. In a county in Idaho the magnates in the Standard Oil and other monopolies have for more than a year conducted their industries under military law: each miner, before seeking work, being obliged to foreswear labor unions and secure a permit from the military authorities.

In the anthracite region of Pennsylvania, the presidents of the nine railroads which compose the Anthracite Monopoly *are today refusing to arbitrate with their employees*, 125,000 of whom are on a strike.

In Porto Rico and the Philippines the entire people are held as subjects. In the Philippines there are 60,000 soldiers attempting to hold down the brown race, while monopolists, through the control of the Government, operate the franchises and thus reap a profit. This holding of a foreign people by military force is a species of slavery which gives the masters less care than is the case where they secure the results of toil through chattel slavery. Where the entire people of a country are held as slaves through the control of their government, profits from their toil can be gathered in through monopoly charges on the railways and through monopoly in the buying of the product, and trust prices on the things which the people must purchase. Education is kept from these slaves just as it used to be kept from the chattel slaves. Proof of this is presented in the succeeding chapters.

Furthermore, the trust magnates have re-established chattel slavery under the Stars and Stripes. Today our flag floats over the chattel slave and over the slave-pen and auction block. This is a fact which the Administration does not dispute. Details are set forth in a later chapter.

An infringement of the doctrine of equal rights before the law is the recognition by the Administration of Titles of Nobility and of power to rule. Under the sovereignty of the United States there is a King and Princes. They are subordinates of President McKinley, whose title is not fairly represented by the term "President." Not only is the King of Sulu his subordinate, but Mr. McKinley has for eighteen months been the sole ruler of 10,000,000 people on the other side of the globe—a power greater and more imperial than Caesar exercised, for he was not in constant communication with his vice-emperors, and therefore they were influenced by the sights which their eyes rested upon; but McKinley has never seen these people whom he rules, nor does he see the conditions when he promulgates his doctrines. Compared with the imperial sway of Caesar, McKinley's rule in the Philippines is similar to the difference between the soulless sway of private monopoly as compared with the conscience touching relations which exist between the small employer and his "help."

Evidence showing that the comparison against McKinley and the trust rule in the Philippines is not overdrawn is set forth in the succeeding chapters. Some of the conditions in the Philippines and in Porto Rico are set forth, but the more revolting details are not incorporated. Such, for example, as the orders to take

no prisoners, and the needless slaughter of wedding parties, etc.

b The Policy of the Administration.

All this is existing under the Federal Government—the Administration.

c The Policy of the Democratic Party.

On the other hand, the policy of the Democratic party, backed by the other members of the fusion party, is the Re-establishment of the Doctrine of Equal Rights before the Law and the Enforcement of that Doctrine. It therefore demands the abolition of private monopoly, and Mr. Bryan is an ardent advocate of arbitration in all cases where public regulation shall not apply. Government by injunction, the "permit" system of slavery, and the conduct of industries under military law, are all to be abolished. A recurrence of these evils will be impossible, for the legislative power is to be transferred from elected rulers to the people. When the people have the veto power and the right to initiate legislation, there cannot be a recurrence of the present inequality before the law.

Furthermore, the Democratic party is pledged to the placing of a labor representative in the cabinet of the President. Its members are also in favor of eight-hour legislation and the extension of the Chinese Exclusion Act to the Japanese, Malays and all other Asiatic peoples. The Democratic party enacted the Chinese Exclusion Act against the protests of the leaders of the Republican party—leaders who were profiting by cheap labor. The Administration has refused to place in its platform a demand for the exclusion of Japanese and Malays. It has defeated an eight-hour law in Congress and refuses to place a labor representative in the cabinet.

The farmers are to be freed from the trusts and other monopolies by means of the restoration of power to the Interstate Commerce Commission, and by such other laws as are necessary to abolish private monopoly. In Kansas alone it is estimated that the grain monopoly is robbing the farmers of about $70,000,000 annually.

The manufacturing and distributing classes are to be protected by the abolition of private monopoly.

On the other hand, *the policy of the Administration is demonstrated by the existing order of things.* During 1897 the Supreme Court took from the Commerce Commission its power to control freight discriminations and the Administration has refused to restore this power and to enact other necessary laws.

B. Due Protection of the Weaker.

The foregoing pertains to equal rights. Another principle embodied in our government is that of due protection to the weaker classes and members of society.

1 Statement of the Principle.

People are unequal in strength, intelligence and morals, and unequal in other ways. *Therefore, in every civilized country the law throws a protecting arm around the weaker classes and members of society,* BUT NOT TO THE EXTENT OF INTERFERING WITH THE HIGHEST CHARACTER OF SERVICE TO THE PUBLIC.

In the laws of our forefathers, we find this principle of properly protecting the weaker. This principle of brotherhood runs through all our equity jurisprudence.

In this "court of conscience" the moral nature of the cases were and are considered by the judges, and lines of decisions have developed wherein those who are the weaker are protected. The judges declared (and they so declare today) that certain classes of agreements, forced by the strong from the weaker,

are void—are not legally binding. In this class of contracts are those wherein it is agreed that one's self or one's family shall work for another for an indefinite time or for life. These agreements are void, for should the Courts enforce them it would mean the establishment of a species of slavery. It would be involuntary servitude. The Courts have also declared void agreements to pay excessive damages for breach of contract. Courts of equity set aside that portion of a contract which calls for a stated amount of damages in all cases where the exact amount of damage for breach of contract can be ascertained with a fair degree of certainty. And by statute the rate of interest is limited. Furthermore, three days of grace in the payment of certain debts used to be allowed. But the few who hold the wealth of the country have to a considerable extent secured the repeal of the laws which used to protect the weaker classes in society. (For example, see page 42 above.) We find that along the line of Federal Legislation there is a reactionary policy, due to the dominance of the powerful few. The following are examples:

(2) Policy of the Administration.

(a) Monopoly Prices Exist.

The powerful few control the government, and by means of monopoly prices are filching from our citizens of all classes a considerable proportion of their just earnings. The monopolists do this through putting up their selling prices and keeping down the prices at which they buy. The Democratic party is firmly opposed to monopoly prices. It is pledged to "an unceasing warfare in nation, state and city against private monopoly in every form." *The monopolists are stronger than the people, except as the people regain control of the government, and to gain control of the government they must work through a political organization.* The Democratic organization is pledged to the people's interests, and they are invited to join it *to secure their own emancipation.*

(b) Monopoly's Oppression in Other Ways.

(1) Oppression of Labor.

The Monopolists, in their strength and heartlessness, are endeavoring to crush out the organization whereby labor keeps up its wages and shortens the working hours. The methods employed are Government by Injunction, Military Rule, Blacklisting, etc. The Democratic party stands for the opposite policy, namely, that of endeavoring to shorten the hours of labor and raise the standard of living for the people. Furthermore, the party of the rich and powerful fought the enactment of the law excluding the cheap Chinese labor; and today, when the Western country is being overrun by the cheap Japanese labor, the monopolist party, ever desirous of cheap labor, refuses to place in its platform a declaration against the importation of Japanese; but the Democratic party, which forced the enactment of the law for the exclusion of the Chinese, has demanded a similar policy as to all Asiatics.

(2) Oppression of Manufacturers, Traders, Etc.

The monopolists also oppress the manufacturers, or traders, who endeavor to compete against them, and those who are forced out of business and into the ranks of wage-earners are oppressed in the ways above mentioned.

(3) Oppression of Farmers.

The farmers also are oppressed by the monopolists, who in recent years have split up the farmers' vote. This has been brought about by sidetracking the more vital questions, such as control of freight rates and the control of the price level. But these points are now the issue of the day, and in proportion as the facts are conclusively presented to them. the farmers can be depended upon to enter into an effec-

tive organization for the restoration of their rights. That organization is a political party—the Fusion Party. And the manufacturers, merchants and other capitalists and employers are joining the farmers and wage-earners in this political organization, which under their united control will oust from power the party who, through special privilege, controls the government by means of the wealth diverted from the people—by means of private monopoly.

PART II.

FOREIGN POLICIES.

A. Until Two Years Ago.

Until two years ago the United States abhorred the idea of foreign conquest. All of its statesmen supported the idea of self-government, that is, equal rights in the governing power and equal rights before the law—everyone a citizen and no one a subject. A second doctrine was that people struggling for self-government should receive our sympathy and encouragement. A third, the upholding of the Monroe doctrine—a doctrine whereby the Old World Empires have been kept from absorbing the Republics of the New World. Had they been permitted to conquer our neighbors, then to protect ourselves we should have been obliged to maintain a large army and navy. A fourth doctrine was, no foreign alliances; a fifth, American dominance in the Nicaraguan Canal. THESE POLICIES HAVE ALL BEEN REVERSED SINCE THE TREMENDOUS DEVELOPMENT OF TRUSTS. *The few who own these private monopolies,* CONTROL THE FEDERAL GOVERNMENT AND HAVE REVERSED ALL ITS FOREIGN POLICIES, INCLUDING RECIPROCITY IN TRADE AGREEMENTS. To be specific:

B. An Arraignment of Our Monopolist Rulers.

(1) They have entered upon foreign conquest and are holding the people of the Philippines and of Porto Rico *as subjects.* Previous to 1898 each treaty for annexation of territory made the native inhabitants *citizens of the United States, but under the recent treaty with Spain* THE ADMINISTRATION TOOK THE NATIVE INHABITANTS AS SUBJECTS. This governing of foreign peoples by force is the policy of Empire and the exact opposite of the policy which constitutes a Republic, *therefore if the Administration's new policy adopted by the Republican National Convention is endorsed at the polls by the voters—the sovereign power*—THE REPUBLIC OF THE UNITED STATES IS OVERTHROWN AND AN EMPIRE ESTABLISHED.

(2) Our monopolist rulers have refused to express sympathy with the liberty-loving Boers in their courageous struggle for the maintenance of their Republics, whereas it has always been the policy of our people, without regard to party lines, to sympathize with and encourage all who dare resist those who deny them the right to self-government. But the Administration is itself shooting to death a Republic—an act of Empire—and history furnishes no example of where an Empire has applauded the efforts of people who were resisting aggression.

(3) Our monopolist rulers have renounced the doctrine that the weaker nations should govern themselves, *and are championing the opposite doctrine—the doctrine that* THE RULE OF EMPIRE IS BETTER FOR HUMANITY THAN SELF-GOVERNMENT. (Proof that this doctrine is openly advocated is presented in the pages which follow). Until two years ago none of our statesmen had ever publicly advocated such a doctrine. But with the development of private monopoly came the greed-born idea that the weaker nations should be governed by

the stronger; and it follows that there is an abrogation of the doctrine that the United States will not conquer the Republics of the New World, and there is likewise an abrogation of the Monroe Doctrine of THE OLD WORLD RACES MUST REFRAIN FROM GOVERNING THE WEAKER NATIONS ON THIS HEMISPHERE.

(4) The action of our monopolist rulers demonstrates that THERE HAS BEEN A CONCERT OF ACTION WITH THE GOVERNMENT OF THE BRITISH EMPIRE. (The evidence is set forth in the pages yet to follow.) In the Chinese affair, the recent replies to Germany, France, Russia, Italy and Japan by the British Foreign Office and by the United States Government were practically identical. Until two years ago all our political parties were agreed that there should be no foreign alliance. But the giant monopolies, by adopting a policy of foreign conquest, have necessitated the forming of a partnership—co-operation in foreign conquest is essential to a successful career.

(5) Our monopolist rulers have presented to the Senate a treaty with the British Government concerning the Nicaraguan Canal which provides that we surrender our rights in the canal in time of war. This is another proof of the existing alliance. Until two years ago no political party in the Republic would have dared for a moment to advocate the surrender of our rights in our Isthmian Canal.

C. Policy of the Democratic Party.

All political parties in the United States, except the McKinley Republican party, are opposed to these changes in our foreign policy. They stand by the policies which have always existed in our country and which are the basic principles of a Republic. These parties are the Conservatives, while the McKinley party, with its new policies, is Reactionary. It has gone back to the idea of Ruler and Subject. The private monopolies are the rulers, while the great body of the American people is their subjects. No one can deny this successfully. And these Rulers have extended their sway to People in Other Lands, and the policy is announced of extending their sway over more subjects. This Government by Force is employing at home a Government by Injunction, the Permit System, and Military Government. An industrial depression is steadily growing. Already many of the men in the iron industry have had their wages reduced 25 per cent (pages 13-18, above), and the great anthracite coal strike is likely to be settled without a recognition of the labor union. The farmers are overcharged by the private monopolies. The distributing class and small manufacturers are being crowded out of business and with little opportunity to get back into a profitable employment. The "surplus" for export is growing larger proportionately, while our people continue to lose employment and have their wages cut. This "running down" of industry *must continue so long as its causes are left in operation.* THEREFORE IT IS ONLY THROUGH THE ABOLITION OF PRIVATE MONOPOLY THAT PROSPERITY CAN BE RESTORED. Elect Bryan and Stevenson and a Congress of Fellow Workers and they will at once pass a law which will *remove the props from private monopoly.* THAT WILL RESTORE COMPETITIVE PRICES, AND THEN WITH THE AID OF A LAW FOR SUCH A VOLUME OF MONEY AS WILL START THE PRICE LEVEL TO RISING FOR A TIME, THERE WILL BE PROSPERITY GREATER THAN WE EXPERIENCED LAST YEAR, FOR PRIVATE MONOPOLY WILL BE ABOLISHED AND THERE WILL BE A GUARANTEE THAT IN THE FUTURE THE PRICE LEVEL WILL BE KEPT STABLE.

In connection with the return of prosperity there will be equal rights in the government and equal rights before the law, guaranteed for the future by the

Referendum and the Initiative; *and as to Foreign Policies there will be a return to the doctrines that always existed* in our Republic. Thus will Foreign Conquest and Empire be abandoned, and our beloved Republic be maintained. Again we shall offer encouragement to nations struggling for Self-Government. We shall maintain the Monroe Doctrine and thus continue our protection of the Republics of the New World, and we shall extend the same doctrine to the Republic of the Philippines. No foreign alliance will exist, and Columbia chastened and washed from the sins committed by the Brute Trusts will again take her place at the head of the Republics, welcoming each newcomer, and at the same time helping to extend the beneficent doctrine of Arbitration and International Agreement until the Federation of New World Republics shall banish from their shores all military and naval warfare, and gradually the same doctrine will be planted on the shores of the Old World.

To attain these ends, it is necessary that our Government turn from its present course and go in the opposite direction. Have our people the intelligence and the love of justice that will cause them to vote for this change, or are they so selfish, unintelligent or falsely educated as to vote to continue the present order of things?

Reader, which course will you work for? Between the tremendous differences in policy, can you hesitate? If you are in doubt, read the sentiment expressed by Abraham Lincoln at Gettysburg over the graves of the soldiers who gave their lives for human liberty:

It is for us, the living, to be here dedicated to the great task remaining before us; that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead SHALL NOT HAVE DIED IN VAIN; THAT THIS NATION, UNDER GOD, SHALL HAVE A NEW BIRTH OF FREEDOM, AND THAT GOVERNMENT OF THE PEOPLE, BY THE PEOPLE, AND FOR THE PEOPLE SHALL NOT PERISH FROM THE EARTH.

Reader, will you join Lincoln in this resolution, or will you work against him? Your effort and your vote are either for Private Monopoly or its overthrow. If you vote for its overthrow, you vote to save the Republic and Restore Prosperity—Prosperity on a higher plane than we have ever experienced. But if you vote to continue the enslavement of the people of the Philippines and Porto Rico, you vote to continue your own enslavement to the Giant Trusts. Lincoln was right when he declared that God's laws are compensatory: Those who deny freedom to others (self-government) simply enslave themselves. General Grant pointed out that our awful Civil War, with the death of 700,000 human beings, was the penalty of our war of conquest against Mexico, for the Slave Power was thereby extended. What shall be the penalty for the transgressions of our present elected rulers? Let us do our utmost to mitigate the punishment to the nation.

The first thing is to urge our fellow-voters to work for the overthrow of the Trusts, and then on election day cast our votes against the Trusts. If you agree to this, throw yourselves into the work of informing your fellow-voters of the issues. An effective way is to order literature and at once proceed to organize in your community a campaign club, if there is none.

DIVISION IV.

EMPIRE VERSUS REPUBLIC.

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PART I.

The Case Outlined.

In the development of the human race, the grandest event since the dark ages was the founding of a state based on Self-Government—the Republic of the United States.

This was a complete departure from the Old World idea, which is that the few have the moral right to govern the many, including alien peoples.

For more than a century the rulers of the Old World have been predicting that this experiment of self-government must surely fail; that when the New World conditions should cease, owing to the density of population, then, if not sooner, would come the crucial test which would end in the fall of the Republic.

For more than a decade our valuable free lands to settlers have been occupied. Monopoly has meanwhile been fostered by legislation conferring sovereign rights in the way of special privilege upon the few, with the result that enormous riches have concentrated in their hands, until, according to Chas. B. Spahr, Ph. D., author of a treatise on Distribution of Wealth, *"less than one-eighth of our families* OWN SEVEN TIMES AS MUCH WEALTH AS THE REMAINING SEVEN-EIGHTHS, *and one per cent of our families* OWN MORE THAN THE REMAINING NINETY-NINE PER CENT."

The few have thus come to own the wealth of the country, and through the use of this wealth in politics *they have come to control the Government of the United States,* and through this great power *they have reached out and are holding the people of Porto Rico and of the Philippines as subjects.*

At the coming election the people of the United States are to decide whether they will ratify the Administration's adoption of this Old World idea of conquest and government of alien races, or whether they will repudiate that action *and thus prevent the overthrow of the Republic.*

The facts and principles which show that this is the real question at issue are undisputed and are as follows:

PART II.

Difference Between Empire and Republic.

A.—General Statement.

B.—Head of Empire May Be Elected.

C.—Republic of the United States.

1.—Equal Rights in the Governing Power.

2.—The Administration Is Holding Subjects—If Policy Is Adopted by the Voters There Will Be Unequal Rights in the Governing Power and Thereby the Republic Will Be Destroyed.

A. GENERAL STATEMENT.

A country which holds the people of another country as subjects is an Empire and not a Republic. For example, Great Britain is an Empire because she holds the people of India and other countries as subjects. *They are governed by people living in England.* If the sovereign power in the United States holds the people of Porto Rico and the Philippines *as subjects*, the United States will be an Empire and not a Republic. In other words, if the voters ratify the Administration's policy of holding the people of Porto Rico as subjects, the United States will be an Empire and *not* a Republic.

B. HEAD OF EMPIRE MAY BE ELECTED.

It is not an essential element of an empire that the Head of the Government attains his office *by descent, instead of election.* Great Britain would still be an empire if the head of the government were elected, for the essential element is, that the *people in one or more sections of the country are governed by those who live in another country*; whereas, the thing which makes a country a Republic is that *the people govern themselves.* Our country now includes Alaska, Hawaii, Porto Rico and the Philippines, and if the people in *one portion of this territory* poll a controlling vote to hold the other portion *as subjects* our country will not be a Republic.

C. REPUBLIC OF THE UNITED STATES HISTORICALLY CONSIDERED.

1. Equal Rights in the Governing Power.

Historically considered, the Republic of the United States was the outcome of the Revolution of 1776. In the government set up, a principle was put into operation for the first time in centuries. It was that the supreme power, the sovereignty or governing power, *resides in the people.* This is the opposite of the doctrine of the divine right of kings. And it is likewise the opposite of the government of the people in one country by the sovereign power in another country. If the people of one portion of our country are governed by the people residing in another portion —are held as subjects—then the new doctrine of government inaugurated in the United States over 100 years ago *will be overthrown*; the sovereign power will no longer reside in the people *but only in those residing in one portion of the territory.*

It will help to make the situation clearer to suppose that the people of Illinois, Indiana and Ohio were to be held *as subjects instead of citizens;* that is, denied all representation in Congress and with no vote in the election of the President, and yet governed by Congress and the President. That would be government of the people in a portion of the country by the people in another portion of the country, and the United States would not be a Republic but an Empire.

On the other hand, if *throughout the* country there were such a disfranchise-

ment that *less than a majority of the men were permitted to vote*, that also would be government by force instead of self-government, and the United States would not be a Republic but an Autocracy; and if the office of head chieftain should be *hereditary* it would be termed a Monarchy.

From the foregoing it will be observed that the distinguishing feature of an Empire is that *the people in one country or area*, ARE GOVERNED BY THE SOVEREIGN POWER IN ANOTHER COUNTRY OR AREA. It is government by force *on geographical lines*. In the case of the people of Porto Rico, and of the Philippines, *they are governed by the sovereign power in the United States*. If this policy of the Administration is ratified by the voters at the polls, the United States will then be an Empire. But if the sovereign power of the United States elect to office the nominees who are pledged to promise an independent self-government to the people of the Philippines, and to the people of Porto Rico citizenship in the United States, then the United States will still be a Republic.

In the words of ex-Senator Edmunds, an old-time Republican, and eminent jurist: *"A Republic can have no subjects."** "A power in the general government *to hold colonies and independent territories over which they may legislate without restriction* WOULD BE INCONSISTENT WITH ITS OWN EXISTENCE IN ITS PRESENT FORM [THAT OF A REPUBLIC]." Such is the statement of Mr. Chief Justice Taney of the United States Supreme Court in the Dred Scott case (18 Howard), *and agreed to by all of his associates*. Last year Mr. Chief Justice Brewer, of this same court, in an address, said: "I object to the Philippine policy *because it antagonizes the principles upon which this government was founded*, which have controlled its life up to the present time, and the perfection of which has been the hope and aspiration of every true American, and" continued Judge Brewer, "Very few nations, very few individuals, live up to their high ideals; *but surely the Declaration of Independence has been the ideal of our life, and we have striven to make it more and more real*. NOW, GOVERNMENT BY FORCE IS THE VERY ANTIPODES OF THIS, and to introduce government by force *over any portion of the nation* is to start the second quarter of the second century of our life *upon principles which are* THE EXACT OPPOSITE *of those upon which we have hitherto lived*. It is one thing to fail of reaching your ideal; it is an entirely different thing to deliberately turn your back upon it."

2. The Administration is Holding Subjects.

At present, the men in control of the United States Government are holding the people of Porto Rico and of the Philippines as subjects, *but these officials are elected to office and, therefore, are not the sovereign power*. In holding subjects they have violated the moral law, and the Constitution, and have done all they can to overthrow the Republic; *but it remains for the people to decide whether they will adopt this new policy—this policy of Empire.*

Proof.

Proof that the Administration is holding the people of Porto Rico as subjects is the treaty with Spain, the law of Congress of April 12, 1900, known as the Porto Rican law, and other action by Congress. Let us examine this evidence after we have ascertained the policy of our people up to the year 1898.

* Letter published in the New York *World* on "The Situation in the Philippines," January 8, 1899.

PART III.

Proof That the Administration Is Holding Subjects and That It is a New Policy==A Policy of Empire.

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A. ACQUISITION BY THE UNITED STATES OF TERRITORIES AND THEIR INHABITANTS PRIOR TO 1898.

1. Immediate Citizenship in the United States.

In the acquisition of territory by the United States *prior to 1898*, all the inhabitants, except foreigners and Indian nations, *at once became citizens of the United States*, unless within a year or other short space of time they declared their intention of remaining citizens of the country from which the cession was made. This fact is authenticated beyond dispute.*

* For example, the Mexican treaty of 1848 provided that "Mexicans now established in territories previously belonging to Mexico, and which remain for the future within the limits of the United States as defined by the present

2. Promises of Statehood and All the Privileges, Rights and Immunities of Citizens of the United States.

And from the founding of the United States up to the recent treaty with Spain, in every treaty or other document whereby territory has been ceded to the United States, there has been an express provision that *in due time it shall be admitted into the Union as a State or States*; and that when this shall occur the inhabitants thereof shall be admitted to all the privileges, rights, and immunities of citizens of the United States.*

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treaty, shall be free to continue where they now reside. * * * Those who shall prefer to remain in the said territories [ceded to the United States] may either retain the title and rights of Mexican citizens *or acquire those of* CITIZENS OF THE UNITED STATES.—(Article VII.)

"If the election is not made within one year, then "those who shall remain in the ceded territories without having declared their intention to retain the character of Mexicans, shall be considered to have *elected to become citizens* OF THE UNITED STATES." — (Article VIII.)

Article XIV. of the Constitutional Amendments, adopted after the Civil War, provides that "All persons naturalized in the United States *and subject to the jurisdiction thereof are* CITIZENS OF THE UNITED STATES."

Status of American Indians.

In the treaties between the United States and Indian Nations, the territory occupied by the tribe or tribes is carefully designated by boundaries, and the government within said territory *has been left with the Indians themselves.* It is usually the case that the Indians "acknowledge themselves to be *under the protection of the United States* and no other power, and will prove by their conduct that they are worthy of so great a blessing."—(Treaty by William Hull, at Detroit, August 21, 1805.)

In every treaty the Indians are usually recognized as a Nation or Tribe; for example, a treaty of 1826 is between the United States and the "Creek *Nation* of Indians." In this way there has been no recognition of the Indians as *citizens of the United States*, BUT EACH INDIAN REMAINS A CITIZEN OF HIS OWN NATION. Further proof on this point is the statement by the Creeks in opposition to a bill in Congress. They said:

"The said measure seeks to destroy the Creek Nation and to force upon its people a citizenship which under other circumstances might benefit them, but which at this time they are neither ready nor willing to accept. *The Creeks have had a government of their own which has existed from time immemorial*, and their hearts cling to the traditions of their forefathers as embodied in their laws, usages and form of government; and *to force them into the new conditions contemplated by said measure* would be an act unworthy of your great and powerful nation.

"In the treaty of 1832 you said: 'The Creek country, west of the Mississippi, shall be solemnly guaranteed to the Creek Indians; NOR SHALL ANY STATE OR TERRITORY EVER HAVE A RIGHT TO PASS LAWS FOR THE GOVERNMENT OF SUCH INDIANS, BUT THEY SHALL BE ALLOWED TO GOVERN THEMSELVES so far as may be compatible with the *general* jurisdiction which Congress may think proper to exercise over them.' This is the promise your forefathers made to ours, and the bill seeks to violate it. * * * Every man, woman and child among the Creeks has a right to be heard on the question whether or not we shall be thrust so suddenly into a path which is dark and which leads we know not wither."

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* **Mexican Treaty.**

*"The Mexican who, in the territory aforesaid, shall not preserve the character of citizens of the Mexican Republic, *shall be incorporated into the Union of the United States, and be admitted at the proper time* (to be judged of by the Congress of the United States) to the enjoyment of *all* the rights of citizens of the United States, according to the principles of the Constitution, and in the meantime shall be maintained and protected in the free enjoyment of their liberty and property and secure in the exercise of their religion without restriction."—(Article IX.)

Louisiana Purchase.

"The inhabitants of the ceded territory shall be *incorporated in the Union of the United States, and* ADMITTED AS SOON AS POSSIBLE, according to the principles of the Federal Constitution, *to the enjoyment of* ALL *the rights, advantages and immunities of* CITIZENS OF

3. No Subjects Up to 1898.

Thus it appears that *up to 1898 the United States* HELD NO SUBJECTS. Chattel slavery existed in several States until 1863, but shortly afterward the Constitution was amended so as to read: "All persons born or naturalized in the United States and *subject to the jurisdiction thereof* ARE CITIZENS OF THE UNITED STATES."

But a new policy has been adopted by the McKinley Administration.

B. TREATY WITH SPAIN CONVEYS THE PEOPLE OF PORTO RICO AND OF THE PHILIPPINES AS SUBJECTS OF THE UNITED STATES.

1. Text of the Treaty.

But in the treaty with Spain whereby Porto Rico was ceded to the United States, A NEW POLICY APPEARS: *There is no statement*, as heretofore, *that the territory shall become States in the Union*; and there is an express statement that the *inhabitants shall* NOT *become citizens of the United States except by the affirmative action of Congress.** THEREFORE, according to the wording of

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THE UNITED STATES; and in the meantime they shall be maintained and protected in the free enjoyment of their liberty, property, and the religion which they profess."—(Article III.)

Cession of Florida.

"The inhabitants of the territories which his Catholic Majesty cedes to the United States, by this treaty, *shall be incorporated in the union of the United States*, as soon as may be consistent with the principles of the Federal Constitution, *and admitted to the enjoyment of* ALL *the privileges, rights and immunities of the* CITIZENS OF THE UNITED STATES."—(Article VI.)

Alaska Purchase.

"The inhabitants of the ceded territory, according to their choice, reserving their natural allegiance, may return to Russia within three years; but if they should prefer to remain in the ceded territory, they, with the exception of uncivilized native tribes, *shall be admitted to the enjoyment of* ALL *the rights, advantages and immunities of* CITIZENS OF THE UNITED STATES, and shall be maintained and protected in the free enjoyment of their liberty, property and religion. The uncivilized tribes will be subject to such laws and regulations as the United States may from time to time adopt in regard to the aboriginal tribes of that country."—(Article III.) As to what the regulations in the United States are as to aboriginal tribes, see preceding note.

Cession of Northwest Territory.

When the national domain was first created by the action of the States in ceding their lands to the United States, Congress resolved in 1780 that all the regions thus acquired should be "settled and formed into distinct *republican States, which shall become members of the Federal Union and have the same rights of sovereignty, freedom and independence as the other States.*"

Later the ordinance of 1787 dedicated the Northwest Territory in conformity with the principles enumerated in 1780.

In the Constitutional Convention of 1787 some members manifested a jealousy of the West and desired to impose limitations upon its future political influence, but all such propositions were rejected.

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* TREATY WITH SPAIN, 1898.

Cuba.

"Spain *relinquishes* to the Cuban people all claim of sovereignty over and title to Cuba.

"And as the island is, upon its evacuation by Spain, to be *occupied by the United States*, the United States will, so long as such occupation shall last, assume and discharge the obligations that may under international law result from the fact of its occupation, for the protection of life and property."—(Article I.)

Porto Rico.

"Spain *cedes to the United States* the island of Porto Rico and other islands now under Spanish sovereignty in the West Indies, and the Island of Guam in the Marianas or Ladrones."—(Article II.)

this treaty, THE INHABITANTS OF PORTO RICO ARE SUBJECTS OF THE FEDERAL GOVERNMENT UNTIL CONGRESS SHALL MAKE THEM CITIZENS OF THE UNITED STATES, or the Supreme Court of the United States shall declare that they are citizens of the United States.

The foregoing distinction between former acquisitions of inhabitants, by treaty, and the acquisition of the people of Porto Rico, and of the Philippines, is all important. Yet the Administration evades a consideration of it, or the false claim is made that there has been no departure from the earlier treaties. President McKinley, in his letter of acceptance, *skips this crucial point.* THIS SHOWS THAT HE CANNOT SUCCESSFULLY DISPUTE THE FACTS—the treaties are in print and *accessible to every one,* therefore the President evades a comparison between the treaties *and takes up the case where there is a possibility of deceiving the voters.* Governor Roosevelt, less familiar with the difference between the present treaty and former ones, or less skilled in debate, states in his Letter of Acceptance that the Philippine case is *an exact parallel with the acquisition of the people of Louisiana.*

2. Violation of Constitutional Limitation Against Holding Subjects—If Ratified, the United States Will Then Be An Empire.

The Administration, when it took the people of Porto Rico as subjects, *did so in violation of the express provision of the Constitution that Congress and the*

The Philippines.

"Spain *cedes to the United States* the archipelago known as the Philippine Islands, * * *."—(Article III.)

* * * * * *

Public Property.

"In conformity with the provisions of Articles I., II. and III. of this treaty, Spain RELINQUISHES *in Cuba and* CEDES *in Porto Rico* and other islands in the West Indies, in the Island of Guam and in the Philippine archipelago, all the buildings, wharves, barracks, forts, structures, public highways and other immovable property which, in conformity with law, belong to the public domain, and as such belong to the crown of Spain."—(Article VIII.)

* * * * * *

Subjects of the United States Government.

"The *civil rights* and *political status of the* NATIVE *inhabitants of the territories* hereby ceded to the United States SHALL BE DETERMINED BY CONGRESS."—(Article IX.)

Commenting upon this section of the treaty Secretary of War, Elihu Root, says:

"I assume * * * that the United States has all the powers in respect of a territory it has thus acquired, and the inhabitants of that territory, *which any nation in the world has in respect of territory which it has acquired;* that, as between the people of the ceded islands and the United States, *the former are* SUBJECT TO THE COMPLETE SOVEREIGNTY OF THE LATTER, CONTROLLED BY NO LEGAL LIMITATIONS EXCEPT THOSE WHICH MAY BE FOUND IN THE TREATY OF CESSION; [therefore] that the people of the islands have no right to have them treated as states, or to have them treated as the territories previously held by the United States have been treated, or to assert a legal right under the provisions of the Constitution, * * * or to assert against the United States any legal right whatever not found in the treaty."

Guarantee as to Religion.

"The inhabitants of the territories over which Spain relinquishes or cedes her sovereignty shall be secured in the free exercise of their religion."—(Article X.)

Private Property and Other Rights.

It is also declared that the relinquishment or cession of Spanish sovereignty cannot impair the property or rights pertaining thereto "of provinces, municipalities, public or private establishments, ecclesiastical or civic bodies, or any other associations having legal capacity to acquire and possess property, * * * or of private individuals."

President shall not take subjects. This limitation upon Congress and the President, appears in several portions of the Constitution. The preamble declares that the object of the Constitution is to "establish *justice* * * * * * and secure the blessings of *liberty to ourselves and our posterity.*" The form of government then provided is such that, *in principle, the sovereignty is divided equally among all male inhabitants who are not aliens.* In other words, the form of government provided in the Constitution is that *there is equal rights in the sovereign power*—NO ONE IS A SUBJECT OF THE SOVEREIGN POWER. The name applied to a state in which the sovereignty is thus apportioned is "Republic." When the descriptive term precedes the word "government," the term "Republican" is used. In the words of the Constitution: "The United States shall guarantee to every State in this Union a Republican form of government." (Sec. 4 of Art. 4.)

The United States, then, is a Republic, and, therefore, the holding of subjects is inconsistent therewith. The Constitution prohibits the holding of subjects. It follows that when the President and the Senate ratified the treaty with Spain, a treaty in which the sovereignty over Porto Rico and the Philippines passed to the United States, the provision therein contained that the native inhabitants of these lands should be subjects of the United States until otherwise provided by Congress, *was invalid.* Congress and the President had no authority to make any such agreement with Spain, therefore, it was void. The people of Porto Rico and of the Philippines became citizens at the moment the treaty was ratified, except in those cases where, within the period stated in the treaty, they elected to remain subjects to the Spanish throne. And such is the decision of a United States judge—Judge Lochren. The case is that of Ortiz *ex parte*, decided in May, 1900, in Minnesota, and reported in Vol. 100 Federal Reporter, p. 955. This decision is in line with the unanimous opinion of all the Supreme Court judges as the court was constituted about forty years ago; (See above, page 112.) One of the present Supreme Court Justices has publicly said: "I object to the Philippine policy, *because it antagonizes the principles upon which this government was founded* (i. e., that of a Republic). For a more lengthy statement, see page 112, above.

3. Unlawful Method of Bringing Before the People the Question of Empire Versus Republic.

To change from a Republic to an Empire, *and observe the method prescribed in the Constitution itself*, requires a two-thirds vote in the House of Representatives, or the application of the Legislatures of two-thirds of the several States. *Yet the Administration took the people of Porto Rico* AS SUBJECTS *without first submitting an Amendment to the Constitution.* In other words, it has changed the form of government without observing the rules for doing so provided by the Constitution. If, in the coming election, a majority of the voters cast their ballots for the Administration it will show that *the sovereign power indorses this new policy of holding subjects*, and thereupon the Republic of the United States will be changed to an Empire. The Supreme Court will not be likely to reverse the policy which the sovereign power has decided upon. Congress and President McKinley can prevent the Supreme Court from declaring that the people of the Philippines are citizens of the United States. Congress, with the aid of the President, *can increase the number of Judges, and as the existing Judges retire their places can be filled by the President, with the assent of the Senate.* If in the coming election the voters indorse the Administration's policy of holding subjects, Congress

and the President will not permit the Supreme Court to declare that the people of the Philippines and of Porto Rico are citizens of the United States. We have had four illustrations during the past fifty years of how Congress has enacted laws changing the number of Judges, *thereby altering the opinion of the majority.* And in a number of the States a similar process has been employed to prevent a decision that would be contrary to the will of the legislative power.

Reviewing this section and the preceding one, it appears that the Administration, when it took the people of Porto Rico as subjects, did so in violation of the Constitution, and that in the coming election the voters are to decide whether or not the United States shall be changed from a Republic to an Empire.

4. Further Meaning of the Change to Empire:

No Constitutional Limitations Upon Congressional Action in Acquiring or Holding Territory and Subjects.

The treaty with Spain declares that *Congress* shall fix "the civil rights and political status of the native inhabitants of the territories hereby ceded to the United States." This provision, as we have shown, is in violation of the Constitution. Something of the meaning of what is involved, should the Administration's new policy be ratified, is the fact that under this policy Congress, in acquiring territory and governing its inhabitants, *is in no wise limited by the Constitution.*

Under this policy the only limitation upon Congress, in ruling the people of Porto Rico and of the Philippines, is the limitations placed in the treaty; namely, freedom of religion and the recognition of property rights. Commenting on this, Mr. Edwin Burritt Smith, a leading lawyer of Chicago, declares:

"By comparison what a waste of words appears in our Magna Charta, Declaration of Independence, Bill of Rights, and Constitutions! We need not wonder, as we stand with uncovered head in the presence of this *final charter of liberty* [*for the Porto Ricans and Filipinos*] that there are those among us who regard our charters as 'musty' and 'outgrown.'"

Mr. Smith also remarks: "The simple terms and limitations of this precious document also bear concrete testimony to Mr. McKinley's faith in what he calls the 'wisdom of Congress.' In this he has also made a great advance over the suspicious framers of the Constitution. They feared and refused to commit the liberties of three million people to the tender care of a Congress of their own choice and directly responsible to themselves. He neither fears nor hesitates to commit the liberties of ten million souls to the control of a Congress of another race in no way representative of, or responsible to, them. He says that he has every (undisclosed) reason to believe that his new wards share his own faith in the wisdom of Congress. He even believes that *a simple despotic government imposed upon them by him* IS "IN ACCORDANCE WITH THE WISHES AND ASPIRATIONS OF THE GREAT MASS OF THE FILIPINO PEOPLE." It, however, requires the presence in the Philippines of some eighty thousand American soldiers to aid them in realizing their alleged "wishes and aspirations."

5 Breach of Express Promise of Citizenship to People of Porto Rico.

a PROOF.

The Administration, when it determined to hold the people of Porto Rico as subjects, did so in violation of the express promise of the head of the army in Porto Rico, that if the Porto Ricans would assist in the overthrow of the Spanish forces and not fight

the Americans, *they would receive the "immunities and blessings of the liberal institutions of our government."* They accepted this offer, and received our troops with blessings and with flowers, and kissed the flag which promised them the liberties of self-government. But when the treaty with Spain was made the Administration refused citizenship to the Porto Ricans and took them as vassals—subjects. Previous to this time the United States Government had never held a subject. This treaty establishes a new form of government in the United States; one in which there are subjects. The people have not ratified this departure in their form of government, but if they do, the Republic of the United States will be a thing of the past, and the Empire of the United States will exist.

The breach of good faith on the part of the Administration was not because the people of Porto Rico are unfit for citizenship in the United States, or are not capable of maintaining a stable, independent government, if protected against robbery by other peoples. The following is a description of the Porto Ricans:

b. PEOPLE OF PORTO RICO WORTHY OF CITIZENSHIP, AND CAPABLE OF INDEPENDENT SELF GOVERNMENT.

The island of Porto Rico contains a population of 890,000 souls, of whom 64 per cent are of the white race, 27 per cent of mixed blood, while less than 9 per cent are of the black race. (United States Government Report on Porto Rico, Oct. 6, 1899). They peaceably freed 40,000 slaves, paying to the owners more than $12,000,000; and at the time the United States came into possession of the island they had representation in the Spanish National Government—4 members in the upper house and 16 in the lower; and the government of the island was out of debt and there was $1,500,000 in the treasury.

As to the qualities of the people, the Special Commissioner for the United States to Porto Rico, Henry K. Carroll, in his report to President McKinley last October says:

"The people as a whole are a moral, law-abiding class, mild in disposition, and possess the possibilities of developing a high type of citizenship. . . . Whether, in view of the high rate of illiteracy which exists among them, and of their lack of training in the responsibilities of citizenship, it would be safe to entrust them with the power of self-government, *I have no hesitation in answering this question in the affirmative.* . . . Porto Ricans are surely better prepared than were the people of Mexico or of the Colonies in Central and South America, which have one after another emancipated themselves from foreign domination and entered upon the duties and privileges of self-government." (Pages 57-58.)

In the face of these facts, the Administration, when it formulated the treaty with Spain, took this people as subjects instead of citizens, as had always been the case in every previous treaty, whereby the sovereignty over inhabitants had been transferred.

6. Spain Had No Sovereignty in the Philippines to Transfer.

a PROOF.

But Spain had no sovereignty in the Philippines. In the words of General Greene, of the United States Army, in a memorandum for use before the Peace Commissioners at Paris, "*Spanish power [in the Philippines] is dead beyond possible resurrection,** and Mr. McKinley, in his letter of acceptance, says: "It is undisputed that Spain's authority is permanently destroyed in every part of the Philippines." And in all the Philippines *the American forces held only the City of Manila.*

Yet with this lack of sovereignty in Spain, owing to the people in the Philippines having defeated the Spaniards and captured their troops, and with a provisional government in operation protecting life and property and making progress toward the formation of a republic, the Administration took from

* Memorandum note made August 27, 1898, and published in U. S. Senate Document No. 62.

Spain *a purported* cession of sovereignty over the people of the Philippines, and gave to Spain $20,000,000 in order to make it appear that Spain had really ceded sovereignty. The Administration took this purported cession of sovereignty against the protests of representatives of the Philippine people* and in the face of the evidence presented by General Greene and others that Spain had no sovereignty, that the people of the Philippines had a provisional government and were working toward a republic *and expected to receive treatment similar to that accorded the Cubans*, namely, a relinquishing of claims to sovereignty and that the United States occupy their territory.

b. McKINLEY'S REASONS FOR USURPING THE SOVEREIGNTY OF THE PHILIPPINES.

Why President McKinley did not extend to the people of Porto Rico and the Philippines the same treatment accorded the Cubans, and his reasons, are thus explained (?) by him in his letter of acceptance:

"On October 28, while the Peace Commission was continuing its negotiations in Paris, the following additional instruction was sent: * * * *'It is undisputed that Spain's authority is permanently destroyed in every part of the Philippines.* To leave any part in her feeble control now would increase our difficulties and be opposed to the interests of humanity. * * * Nor can we permit Spain to transfer any of the islands to another power; nor can we invite another power or powers to join the United States in sovereignty over them. WE MUST EITHER HOLD THEM OR TURN THEM BACK TO SPAIN. [Observe the fallacy in this argument! Why not let the sovereignty remain in the Filipinos?] Consequently, grave as are the responsibilities and unforeseen as are the difficulties which are before us, the President can see but one plain path of duty—the acceptance of the archipelago. * * *'

"Again, on November 13, I instructed the Commission: * * * 'Could we justify ourselves in such a course, or could we permit their barter to some other power? Willing or not, we have the responsibility of duty, which we cannot escape. * * * The President cannot believe any division of the archipelago can bring us anything but embarrassment in the future. The trade and commercial side, as well as the indemnity for the cost of war, are questions we might yield. They might be waived or compromised, but the questions of duty and humanity appeal to the President so strongly that he can find no appropriate answer but the one he has here marked out."

7. Allies Turned on and Held in Bondage.

Furthermore, the Philippine people were allied with the United States in the war against Spain, and for the Administration to turn, after the defeat of the common enemy, *and attempt to take title to those allies and force them into bondage* IS AN INFAMY SUCH AS THE WORLD HAS NEVER BEFORE WITNESSED. The

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*FORMAL PROTEST TO PEACE COMMISSIONERS.

The protest of Agoncillo, representative of the Philippine Government, filed with the Peace Commissioners in Paris, opens with the following statement:

I protest in the most solemn manner, in the name of the President and the National Government of the Philippines, against any resolution agreed upon at the peace conference in Paris, as long as the judicial, political, independent personality of the Filipino people is entirely unrecognized, and attempts are made in any form to *impose on these inhabitants resolutions which have not been sanctioned by their public powers*, THE ONLY ONES WHO CAN LEGALLY DECIDE AS TO THEIR FUTURE IN HISTORY. Spain is absolutely devoid of a status and power to decide in any shape or form the before-mentioned matter. On the contrary, the demands of honor and good faith impose on them the explicit recognition of the political status of the people who, loyal to their conventions, were a devoted ally of their forces in the moments of danger and strife.

case is thus described by Carl Schurz in the New York *Herald*, in reply to Senator Foraker. Mr. Schurz said:

"Senator Foraker asserts that the Filipinos had not been our allies, and that according to all our commanders, 'from Admiral Dewey and General Otis down, no alliances or agreements or promises of the character Mr. Schurz mentions were made by us to the Filipinos.' This is taking refuge behind a mere technicality to justify a moral wrong. I never said that *formal* alliances, or agreements, or promises were made. I did say, however, that *we used the Filipinos as allies, and that* WE PROFITED FROM THEIR CO-OPERATION AS ALLIES, *and in point of fact recognized and treated them as allies so long as they could be useful to us, and that, therefore, we owed to them those moral obligations which are always recognized between honorable allies.* And the information sustaining this question I gathered, not from Aguinaldo, as Senator Foraker would have you believe, but from our own official records and from authenticated statements made by our own officers.

THE FACTS.

"If Senator Foraker had studied those documents he would know the following recorded facts: Aguinaldo, the Filipino leader, came to Cavite in a United States vessel at the invitation of Commodore Dewey to co-operate with him against the common enemy, the Spaniards. Under Dewey's eyes Aguinaldo quickly organized a large Filipino army, which did excellent service. Dewey reported to Secretary Long, June 27, 1898: 'I have given him (Aguinaldo) to understand that I consider the insurgents as friends, *being opposed to a common enemy.* He has gone to attend a meeting of insurgent leaders for the purpose of forming a civil government. Aguinaldo has acted independently of the squadron, *but has kept me advised of his progress*, which has been wonderful. I HAVE ALLOWED AGUINALDO TO PASS BY WATER RECRUITS, ARMS AND AMMUNITION, AND TO TAKE SUCH SPANISH ARMS AND AMMUNITION FROM THE ARSENAL AS HE NEEDED. Have advised him frequently to conduct the war humanely, which he has done invariably.'

"When General Anderson had arrived in Manila Bay with the first installment of land forces he wrote to Aguinaldo, July 4, 1898: 'General: I desire to have the most amicable relations with you, and to have you and your people co-operate with us in military operations against the Spanish forces.'

"The result of Aguinaldo's co-operation was that, while our forces held Cavite and the Bay of Manila, the Filipinos hemmed in the Spaniards in Manila on the land side, so that the 'common enemy' could neither escape into the interior of the country nor receive reinforcements. The character and efficacy of this co-operation was strikingly acknowledged as a conclusive reason for the surrender of Manila in the correspondence between our commanders and the Spanish general. (See report Bureau of Navigation, 1898, pp. 121-2.)

TURNED PRISONERS OVER TO FILIPINOS.

"In the meantime our commanders had even gone so far as to turn over to the Filipinos 1,300 Spanish prisoners taken by our forces in Subig Bay—an act which not only amounted to a practical recognition of the Filipinos as our allies against the 'common enemy,' but came *very near to an admission that the Filipinos were the principal belligerent party and we only an auxiliary force.*

"After all this there can be nothing surprising in the answer given by Rear Admiral Bradford to the following question put to him before our Peace Commissioners in Paris by Senator Frye: 'Suppose the United States in the progress of the war found the leader of the Philippine rebellion [against Spain] an exile from his country in Hong Kong and brought him to the islands on an American ship, and then furnished him 4,000 or 5,000 stands of arms, and allowed him to purchase as many more stands of arms in Hong Kong, and accepted his aid in conquering Luzon, what kind of a nation, in the eyes of the world, would we appear to be to surrender Aguinaldo and his insurgents to Spain to be dealt with as they please?' Answer by Read Admiral Bradford: 'We became responsible for everything he has done. HE IS OUR ALLY, AND WE ARE BOUND TO PROTECT HIM.'

FILIPINOS CONFIDENTLY TRUSTED TO OUR HONOR.

"Senator Frye forgot to ask the further question: 'What kind of a nation in the eyes of the world would we appear if, after having accepted and profited from the aid of our Filipino allies, *we turned round to purchase the sovereignty over them from the "common enemy"* and thus to transfer these people—who had believed that in fighting side by side with this Republic they were fighting for their freedom and inde-

pendence—like a herd of cattle from one foreign rule to another?'

"And just that is what we have done. That the Filipinos before 'co-operating' with us as allies against the 'common enemy' did not insist upon stipulating with us in black and white the conditions of the co-operation, but confidingly trusted to our honor and good faith as Republicans of the school of Washington and Lincoln, is true, just as I might go into a business co-operation with a friend without a written contract, believing him to be an honest man. But what shall I believe him to be if, after having accepted the benefit of my co-operation, he repudiates all moral obligations on the ground that, trusting his honesty, I had neglected to insist upon a *written* contract? Such a person may occasionally by some quibble of legal technicality escape the payment of a just debt, but he will surely not escape the contempt of gentlemen.

BOUGHT BEHIND THEIR BACKS.

"While thus 'using' the Filipinos as our military allies, the administration *secretly instructed our officers that we might indeed profit from the effective co-operation of the Filipinos, but that no sort of recognition should be accorded to them which might embarrass our scheme to make them our subjects.* And then, when the surrender of Manila had been obtained, and we had sufficient troops on the ground to make us masters of the situation, and we began negotiations for peace with the common enemy, and our Filipino allies asked to be heard in these negotiations as to the future of their country, *we slammed the door in their faces as if they had no right to their country at all.* AND BEHIND THEIR BACKS WE BOUGHT THEM, as former Secretary Day avers, FROM THE 'COMMON ENEMY,' bought them like a drove of sheep, and we got the 'common enemy' —Spain—to 'cede' to us the sovereignty over the Philippines, a sovereignty which, as we well know, *she had practically lost and could not deliver,* and which, according to the principle emphatically affirmed by ourselves in the case of Cuba, Spain had forfeited to the people of the islands. And then, even before that peace treaty had been ratified, and while it was very uncertain whether it would ever be ratified, *President McKinley, without any legal right, by a bold usurpation of power, ordered the army to enforce that spurious sovereignty upon the whole archipelago.* And then, when the Filipinos, our late allies, asserting their title to freedom and independence upon the ground of our own professed principles, refused to be sold and bought like a herd of cattle, WE DESTROYED BY FORCE OF ARMS THE GOVERNMENT THEY HAD SET UP AND PROCEEDED TO SHOOT THEM DOWN. And we have continued ever since this killing business BECAUSE WE COVET THEIR COUNTRY.

IMPERIALISTS CHALLENGED TO SHOW ACT OF TREACHERY MORE BASE AND INFAMOUS.

"In public speeches I have again and again challenged the imperialists *to show me in the history of the world a single act of perfidy committed by any republic more infamous than that which has been committed by President McKinley's administration against our Filipino allies.* I have never received an answer. I now address this challenge to Senator Foraker personally. I respectfully invite him to RANSACK ALL HIS KNOWLEDGE OF THE ANNALS OF MANKIND FOR AN ACT OF TREACHERY MORE BASE AND INFAMOUS, and then to enlighten the American people with his finding."

8. People of the Philippines Maintained a Stable Government.

The Administration, when it purported to take from Spain the sovereignty of the Philippines, did so not only as against an ally, but also against an intelligent, capable people, who were governing themselves in an efficient manner. Proof of this is so voluminous that, therefore, only a small portion can be quoted here.

About a year before our fleet appeared at Manila the people of the Philippines, through revolution, had wrung from Spain a treaty in which many reforms were promised, and $800,000 in silver was paid to the revolutionary leaders, who, in consideration of promised reforms to their people and this payment of money, entered into voluntary exile *so long as Spain should fulfill her promise.*

But she did not fulfill her promise and when Admiral Dewey was about to sail from Hong Kong to attempt to capture the Spanish forces at Manila, he took

with him the exiled revolutionists, among whom was the leader, Emilio Aguinaldo. These revolutionists had placed $400,000 in the bank at Hong Kong in trust for the Filipino people should Spain refuse to fulfill her pledges. This money, all but $5,000, *was used to purchase supplies for the revolution which took place after Admiral Dewey landed in the Philippines.**

Further munitions of war were furnished by Admiral Dewey. In a dispatch to the Secretary of the Navy of June 27, Admiral Dewey said:

"I have allowed Aguinaldo to pass by water, recruits, arms and ammunition, and to take such Spanish arms and ammunition from the arsenal as he needed. Have advised him frequently to conduct the war humanely, which he has done invariably."

The military operations of the Filipino people were such that they drove the Spanish into Manila and held them there by a line of intrenchments on the land side several miles in length and reaching from water to water. And the greater part of the islands was cleared of Spanish forces. This indicates the military strength of the Filipinos. It was estimated that during December, 1898, they had 300,000 in the field armed for the most part with modern weapons of war.

Further evidence as to the qualities of the government of the islands and the character of the people is as follows:

Two of Admiral Dewey's men traveled "more than 600 miles through the northern part of the Island of Luzon, traversing a characteristic and important district. In this way," continues the report, "we visited seven provinces, of which some were under the immediate control of a central government at Malolos, while others were remotely situated, separated from each other and from the seat of government by natural divisions of land, and accessible only by lengthy and arduous travel."

An Efficient Government and Orderly People.

"As a tribute to the efficiency of Aguinaldo's government," continues this report, "and to the law-abiding character of his subjects, I offer the fact that *Mr. Wilcox and I pursued our journey throughout* IN PERFECT SECURITY, *and returned to Manila* WITH ONLY THE MOST PLEASANT RECOLLECTION OF THE QUIET AND ORDERLY LIFE WHICH WE FOUND THE NATIVES TO BE LEADING UNDER THE NEW REGIME."**

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* The following is an extract from a statement by General F. V. Greene, one of our most distinguished officers in those islands, on August 30, 1898. Referring to the agreement at the time of the suspension of hostilities referred to, he says:

"In brief, it required that Aguinaldo and the other insurgent leaders leave the country, the Government agreeing to pay them $800,000 in silver, and proposing to introduce numerous reforms, including representation in the Spanish cortes, freedom of the press, general amnesty for all insurgents, and the expulsion or secularization of the monastic orders. Aguinaldo and his associates went to Hong Kong and Singapore. A portion of the money, $400,000, was deposited in banks at Hong Kong, and a law suit soon arose between Aguinaldo and one of his subordinate chiefs named Artacho, which is interesting on account of *the very honorable position taken by Aguinaldo.* Artacho sued for the division of the money among the insurgents according to rank. *Aguinaldo claimed that the money was a trust fund and was to remain on deposit until it was seen whether the Spaniards would carry out their proposed reforms,* AND IF THEY FAILED TO DO SO IT WAS TO BE USED TO DEFRAY THE EXPENSES OF A NEW INSURRECTION. The suit was settled out of court by paying Artacho $5,000. No steps have been taken to introduce the reforms, more than 2,000 insurgents, who had been deported to Fernando Po and other places, are still in confinement, and AGUINALDO IS NOW USING THE MONEY TO CARRY ON THE OPERATIONS OF THE PRESENT INSURRECTION."

**Report of Cadet Sargent, U. S. Navy, who, with Paymaster Wilcox, traveled through Luzon in October and November, 1898.

The foregoing shows how the people of the Philippines behaved. A more personal description is by Hon. John Barrett, ex-Minister of the United States to Siam, in an address January, 1899:

Cabinet and Congress.

"Aguinaldo has framed a popular cabinet and congress, the members of which, in appearance and manners, would compare favorably with Japanese statesmen. He has among his advisers men of acknowledged ability as international lawyers, while his supporters include most of the prominent and wealthy natives."

Complete System of Administration.

In the government framed by these men there was a complete system of public administration, including the collection of taxes, maintenance of education, and the support of an army which, at one time, is said to have consisted of some 300,000 men.

The people, as a whole, are thus described by Lieutenant John D. Ford, of the United States Navy, an officer of Admiral Dewey's flagship "Olympia":

Personal Character of Filipinos.

"The Filipinos are of an intelligent, industrious character. . . . It is believed by many that they are a very ignorant race, which is not the case. There is hardly a man or woman even in the middle class who cannot read and write. The children are given early education and are quick to learn. The few savage Negritos are no more representatives of the Filipino race than our Indians are representatives of this great country. There are only 100,000 Negritos in a population of between 7,000,000 and 8,000,000 Filipinos, and it is unfair for these people to be classed with them. . . . Aguinaldo is in every sense a patriot, and I believe he is sincere in his efforts for his people and means well."

General Charles A. King, of Milwaukee, shortly after his return home from the Philippines, made the following statement:

"The Americans here do not realize the truth that nine-tenths of the people in the Philippines can read and write. . . . They have a good common school education. There is no culture excepting among the higher classes, of course, but there is fair education everywhere and many people have ability. The men in power whom I met are gentlemen, many of them scholars educated abroad, accomplished in manners, perfect in courtesy, broad-minded and ripe in judgment. There is no reason in the world why the people should not have the self-government which they so passionately desire, so far as their individual ability to carry it on goes."

Admiral Dewey himself, in a letter dated August 29, 1899, to the Peace Commissioners in Paris, said:

"In a telegram sent to the department on June 23 I expressed the opinion that these people are far superior in their intelligence and more capable of self-government than the natives of Cuba, and I am familiar with both races. Further intercourse with them has confirmed me in this opinion."*

Summary.

These are the people whom President McKinley and Senators Hanna, Platt, and the other leaders have taken as subjects, refusing to treat them as the Cubans are being treated. But the Cubans owe their promise of independence to the Democratic, Silver Republican and Populist Senators, *who forced through the resolution which gave this promise.* HANNA AND THE OTHER REPUBLICAN LEADERS, EXCEPT FORAKER, VOTED AGAINST THIS PROMISE OF INDEPENDENCE.

The people of the Philippines had wrested from Spain practically the entire control of the entire archipelago, while the Cubans had not demonstrated such ability; yet in the treaty Spain relinquished her sovereignty over the Cu-

* Equally strong is the testimony of Judge Richard W. Young, *of the Supreme Court at Manila, a major in the army and a West Point graduate.* Within the past four months he has written:

"I believe the Filipinos capable of self-government. After a short period of instruction and guidance *there can be no doubt as to that.* THEY FURNISH MEN OF LETTERS, BRILLIANT JURISTS, ARTISTS, MUSICIANS AND ARTISANS SKILLED IN A HUNDRED TRADES.

bans, while the Filipinos, over whom she had no sovereignty, she claimed to cede to the United States. Why this difference? Manifestly, the promise of the United States Senate to Cuba saved the Cubans from being taken over as subjects.

C. ADMINISTRATION'S PERFIDY DURING THE INTERVAL BETWEEN SIGNING OF TREATY AND RATIFICATION BY THE SENATE.

1. Breach of Preliminary Treaty.

On August 12, 1898, an agreement preliminary to the treaty was signed in Washington. This protocol declares:

"The United States will occupy and hold the city, bay and harbor of Manila, pending the conclusion of a treaty of peace, which shall determine the control, disposition and government of the Philippines." (Article III.)

The "conclusion" of this treaty of peace was not completed until the exchange of ratifications, April 11, 1899, and until this "conclusion" the war with Spain was suspended, and whatever sovereignty she had with the Philippines was retained. The United States Senate ratified it February 6. But in the preceding December, only ten days after the Commissioners at Paris had agreed upon a treaty for presentation to their respective governments, President McKinley broke his agreement by issuing in the Philippines a proclamation in which he directed the Commanding General *to extend the sovereignty of the United States beyond "the city, bay and harbor of Manila."* In other words, the men who had turned on their allies and had so framed the treaty as to take them into bondage *now refused to abide by their agreement with Spain.* When this proclamation by McKinley was issued, order was prevailing under the government of President Aguinaldo. Proof of this is the statement by the men who traveled 600 miles in the Philippines. (See page 123, above.)

The following is the main portion of the proclamation:

The President's Proclamation of "Benevolent Assimilation."

"The *future control, disposition and government* of the islands ARE CEDED TO THE UNITED STATES.

"In the fulfillment of *the rights of sovereignty thus acquired* and the responsible obligations of government thus assumed, *the actual occupation and administration of* THE ENTIRE GROUP OF THE PHILIPPINE ISLANDS BECOMES IMMEDIATELY NECESSARY, and the military government heretofore maintained by the United States in the city, harbor and bay of Manila *is to be extended with all possible dispatch to the whole of the ceded territory.*

"In performing this duty the military commander of the United States is enjoined to make known to the inhabitants of the Philippine Islands that, *in succeeding to the sovereignty of Spain,* in severing the former political relations of the inhabitants, and in establishing a new political power, *the authority of the United States is to be exerted* for the securing of the persons and property of the people of the islands and for the confirmation of all their private rights and relations. It will be the duty of the commander of the forces of occupation to announce and proclaim in the most public manner that WE COME NOT AS INVADERS OR CONQUERORS [?], but as friends to protect the natives in their homes, in their employments and in their personal and religious rights. All persons who, either by active aid or by honest submission, co-operate with the Government of the United States to give effect *to these beneficent purposes* [?] will receive the reward of its support and protection. ALL OTHERS WILL BE BROUGHT WITHIN THE LAWFUL RULE WE HAVE ASSUMED, with firmness if need be, but without severity, so far as may be possible.

"Within the absolute domain of military authority, which necessarily is and

must remain supreme in the ceded territory UNTIL THE LEGISLATION OF THE UNITED STATES SHALL OTHERWISE PROVIDE, the municipal laws of the territory in respect to private rights and property and the repression of crime are to be considered as continuing in force, and to be administered by the ordinary tribunals, so far as practicable. The operations of civil and municipal government are to be performed by such officers as may accept the supremacy of the United States by taking the oath of allegiance, or by officers chosen, as far as may be practicable, from the inhabitants of the islands.

"While the control of all the public property and the revenues of the state passes with the cession, and while the use and management of all public means of transportation *are necessarily reserved to the authority of* THE UNITED STATES, private property, whether belonging to individuals or corporations, is to be respected except for cause duly established. The taxes and duties heretofore payable by the inhabitants to the late government *become payable to the authorities of the* UNITED STATES, unless it be seen fit to substitute for them other reasonable rates or modes of contribution to the expenses of government, whether general or local. If private property be taken for military use, it shall be paid for when possible, in cash, at a fair valuation, and when payment in cash is not practicable receipts are to be given.

"All ports and places in the Philippine Islands in the actual possession of the land and naval forces OF THE UNITED STATES will be opened to the commerce of all friendly nations. All goods and wares not prohibited for military reasons by due announcement of the military authority will be admitted upon payment of such duties and other charges as shall be in force at the time of their importation.

"Finally, it should be the earnest and paramount aim of the military administration to win the confidence, respect and affection (?) of the inhabitants of the Philippines by assuring them in every possible way that full measure of individual rights and liberties which is the heritage of free peoples (?), and BY PROVING TO THEM THAT THE MISSION OF THE UNITED STATES IS ONE OF BENEVOLENT ASSIMILATION, substituting the mild sway of justice (?) and right (?) for arbitrary rule. In the fulfillment of this high mission (?), supporting the temperate administration of affairs *for the greatest good of* THE GOVERNED, there must be sedulously maintained the strong arm of authority, to repress disturbance and to overcome all obstacles to the bestowal of the blessings of good and stable government upon the people of the Philippine Islands under the free flag of the United States.

"Very respectfully,
"WILLIAM MCKINLEY.
"H. C. CORBIN,
"Adjutant General.
"By order of the Secretary of War.
"H. C. CORBIN,
"Adjutant General."

Reviewing the above, we see that the President claimed that the sovereign power in the Philippines—that is, the lawmaking power—*resided in the United States*—that is, in the people of the United States—and therefore that the people of the Philippines were SUBJECTS unless Congress should declare them citizens of the United States or promise them independence. But there was no intimation of a promise of independence; on the contrary, the proclamation is that "the mission of the United States is one of *benevolent assimilation*"; in other words, to make the people of the Philippines THE SUBJECTS OR VASSALS OF THE MEN IN CONTROL OF THE GOVERNMENT OF THE UNITED STATES.

The above proclamation of the Administration exposed so fully the intention to refuse independence, and hold the islands and the people, that *General Otis published only fragments of it.* The following is his report to the Major General of the Army:

2. General Otis's Attempt to Deceive—Denies Intention to Hold Subjects.

"After fully considering the President's proclamation and the temper of the Tagalos with whom I am daily discussing political problems *and the friendly intention of the United States Government toward them* [?], I concluded that there were certain words and expressions in the proclamation such as 'sovereignty,' 'right of cession,' and those which directed the immediate

occupation, etc., which though most admirably employed and tersely expressive of the actual conditions, might be advantageously used by the Tagalo War Party to incite widespread hostilities among the natives. The ignorant class [?] had been taught to believe that certain words, as 'sovereignty,' 'protection,' etc., *had peculiar meaning disastrous to their welfare and significant of* FUTURE POLITICAL DOMINION, LIKE THAT FROM WHICH THEY HAD BEEN FREED.

3. Filipinos Continue to Ask for Independence.

"Aguinaldo met the proclamation by a counter one, in which he indignantly protested against the claim of sovereignty by the United States in the islands, which really had been conquered from the Spaniards through the blood and treasure of his countrymen, and abused me for my assertion of the title of Military Governor. *Even the women of Cavite Province,* in a document numerously signed by them, gave me to understand that AFTER ALL THE MEN WERE KILLED OFF THEY WERE PREPARED TO SHED THEIR PATRIOTIC BLOOD FOR THE LIBERTY AND INDEPENDENCE OF THEIR COUNTRY."

These are the words of General Otis in his report to the Commanding General of the United States Army.

It appears from the press dispatches from Manila that General Aguinaldo, in his proclamation in reply to the Administration, solemnly protested in the name of the Deity against the intrusion of the American Government, and called upon his followers to work together with force, if necessary, assuring them that *he was convinced they would attain absolute independence;* he urged them never to return from the glorious road on which they had already so far advanced.

At the time of President McKinley's proclamation, the force of General Miller had been dispatched to take the city of Iloilo, in the Visayas. This action was specifically protested against by General Aguinaldo. In his proclamation he said:

"My government cannot remain indifferent in view of a violent and aggressive *usurpation of a portion of our territory* by a nation which calls itself 'champion of oppressed nations'; so my government is prepared to commence hostilities if the American forces attempt to carry out by force the occupation of the Visayas. I proclaim these [and other facts not herein quoted] before the whole world in order that the universal conscience may point out inflexibly *who are the real oppressors of nations and the executioners of humanity.* ON THEIR HEADS BE ALL THE BLOOD THAT WILL BE SPILLED."

It was my opinion therefore that I would be justified in so amending the paper that the beneficent object [?] of the United States Government would be brought clearly within the comprehension of the people [?]." (Page 66, Part IV., Report of Major-General of the United States Army for 1899.)

In General Otis's report to the Major General of the Army, he further says:

Attitude of Philippine Government.

Seven days later an Associated Press dispatch from Manila (Jan. 12, 1899) says:

"The situation is critical here. . . . It is reported that the rebel government at Malolos is willing that the Americans should establish a protectorate *on condition that they promise to give the Filipinos* ABSOLUTE INDEPENDENCE WITHIN A STATED TIME."

The next day a further dispatch from Manila said: "The rebels are concentrated on the ouskirts of the town, but the leaders have issued strict orders that they shall act only on the defensive. An accident might precipitate trouble."

In the meantime the leaders in the Philippines had dispatched some of their number to Washington to intercede and gain a promise of independence. January 25, 1899, an Associated Press dispatch from Washington says:

"The presentation to the State Department yesterday of the communication from Agoncillo, Aguinaldo's representative, has not changed the attitude of the Department toward him, and *there is not the slightest possibility that he will be officially recognized by the President or the Department.*"

Two days later Agoncillo, to deny a report, gave the following to the public:

"The falsity of the statement is shown by the fact that *I have cabled my government to continue the same friendship* which was borne on the battlefield against Spain. The Philippine people have no wish and no purpose to fight against the Americans unless they are driven to it."

4. Administration Continues War Preparations in the Philippines.

January 2 the Administration ordered *six additional regiments to the Philippines.*

This shows that the Administration was determined to hold the people of the Philippines. When the British Government ordered additional troops into South Africa and advanced the troops then in Africa to the boundaries of the Boer Republic, President Kruger sent that if the troops were continued at the boundary and the new shipments were not recalled, *it would be considered an act of war.*

The Administration not only ordered more troops to the Philippines, but appointed a Commission to go to the Philippines and *institute a government throughout the islands.**

5. Protest by Filipinos—Plans for Securing Liberty Before Arrival of Reinforcements.

The result of the foregoing is thus described by General Otis in his report to the Major General:

"The newspapers at Manila asked what was the meaning of this commission when one was in session already, and why were the regular troops being dispatched from the United States? The United States authorities, they said, were merely endeavoring to gain time to place themselves in position to impose slavery on the Filipinos." (Page 82, Otis's Report.)

And the leaders of the Philippine people did what Paul Kruger and his fellow-citizens did: THEY PLANNED TO STRIKE FOR THEIR LIBERTIES BEFORE THE REINFORCEMENTS OF THE ENEMY SHOULD ARRIVE. An uprising and general attack was planned for the night of January 9. It was the purpose to surprise the enemy, just as Ethan Allen and the Green Mountain boys did the British at

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*"The Commission was not appointed as a 'Peace Commission,' as it has often been called. It was appointed as a Civil Commission to accomplish the object set forth in its instructions, one of which was to assist in the peaceful *extension of American authority* and the establishment of civil and peaceful government among the people. (Instructions, Exhibit II.)" (McKinley's Campaign text book of this year, page 352.)

DETERMINATION TO HOLD FILIPINOS AS SUBJECTS.

"The cession to the United States . . . of the sovereignty which Spain possessed and exercised over the Philippine Islands is not . . . received *a complete* and INDEFEASIBLE CONSUMMATION. . . .

"The aim and object of the American Government . . . *by the acceptance of sovereignty* over the Philippine Islands is the well-being, prosperity and happiness of the Filipino people, and their elevation and advancement to a position among the most civilized people of the world. . . . Both in the establishment and maintenance of government in the Philippine Islands it will be the policy of the United States to consult the views and wishes and to secure the advice, co-operation and *aid of the Filipino people themselves.*" . . .

"In the meantime the attention of the Filipino people is invited to certain regulative principles by which the United States *will be guided* in its relations with them. The following are deemed of cardinal importance:

"1. The supremacy of the United States must and will be enforced *throughout every part of the archipelago*, and those who resist it can accomplish no other end than their own ruin.

"2. The most ample liberty of self-government will be granted to the Philippine people which is reconcilable with the maintenance of a wise, stable, effective and economical administration of public affairs, *and compatible with the sovereign and international rights* and obligations *of the United States.*"

Ticonderoga. The written instructions issued by Aguinaldo were minute in detail and concluded with these words:

Civilized Warfare Planned.

"Article 12—At last, if, as I expect, the result shall favor us in the taking of Manila and the conquering of the enemy, the chiefs are charged with seeing that the officers and soldiers respect the consulates, the banks and commercial houses, and even the Spanish banks and commercial houses, taking that they be not seduced by the hope of plunder. As if God sees this he will reward us and the foreign nations will note the order and justice of our conduct. I charge that in the moment of combat the officers, soldiers and whatever patriots take part in the struggle WILL NOT FORGET OUR ABLE, SACRED AND HOLY IDEA, LIBERTY AND INDEPENDENCE. Neither will you forget your sacred oaths and immaculate banner; nor will you forget the promise made by me to the civilized nations, whom I have assured that we Filipinos are not savages, nor thieves, nor assassins, nor are we cruel, but on the contrary, that we are men of culture and patriotism, honorable and very humane. Above all, I expect that you will respect the persons and goods of private persons of all nationalities, including the Chinese; that you will treat well all prisoners *and grant life to those of the enemy who surrender.* And that you will be on the sharp lookout for those traitors and enemies who, by robbery, will seek to mar our victory.

(Signed) "A. EMILIO AGUINALDO."

But the uprising did not occur and McKinley kept up his preparations for war against the people in the Philippines. On January 24 the Philippine Junta issued the following statement:

6. McKinley Continues War Preparations—Protest by Filipinos.

"The purchase by American authorities at Hong Kong of *a number of steam launches for river work in the Philippines is high-handed, unnecessary and vexatious. . . . The dispatch of reinforcements is* INCOMPATIBLE WITH PEACE. . . . The Filipino Congress at Malolos has unanimously vetoed annexation." (Associated Press Dispatch.)

Of the same tenor is the statement made by the three Philippine Commissioners to the United States, who reached San Francisco January 15. They declared positively:

"The Filipinos will never be willing for the Philippine Islands *to be colonies of the United States.* Their history for three-quarters of a century shows that they have been warring against colonial rule—against the yoke of Spain. Having at last been freed from the Spanish, the natives do not readily favor the adoption of another foreign foster parent to govern them. . . . We do not wish to believe that the United States will take the Philippines as a colony. That would be acting contrary to the principles under which America attained her own independence and ceased to be a colony." (Associated Press.)

February 4 an Associated Press report from Washington states that

"A memorial from Senor Felipe Agoncillo to the United States Senate will probably be read in that body on Monday by one of the leading Senators before a vote is taken on the ratification of the peace treaty. Accompanying the memorial is a pamphlet of thirty-two pages, containing a map of the islands, the constitution of the Philippine Republic, Agoncillo's recent letter to the Secretary of State, and a copy of his protest against the peace treaty filed with the Paris Commission. The memorial begins as follows:

Memorial to United States Senate.

"The interest of my country requires, because of the pendency of the peace treaty before your honorable body, that I present to you some considerations bearing upon the relations between the United States and the Philippine Islands. It would be impudent in me, and I shall not attempt to make any suggestions relative to the treatment of the document in question. At the same time I must be understood *as protesting, as the representative of the independent Philippine Republic, that* THE UNITED STATES HAS NO JURISDICTION, NATURAL OR ACQUIRED through any of its agencies, *to adjudicate in any manner upon the rights of my country and people.*

"The fact remains, however, that action is contemplated, and we are informed that it is proposed, if deemed necessary, to be *the basis of military operations* AGAINST THE LATEST ADDITION

TO THE REPUBLICS OF THE WORLD, such action being, as I shall herein point out, without foundation in justice."

The press dispatch goes on to give the substance of the argument presented by the representatives of the Philippine Republic. Among other things he declared that the purpose of the revolution against Spain was *independence;* that the United States so understood and encouraged it, and that she should have recognized its independence before the signing of the protocol with Spain. Spain had been ousted from the Philippines, and therefore could not deliver the Philippines to the United States. "THE REPUBLIC OF THE PHILIPPINES," he continued, REPRESENTS 10,000,000 SOULS, WHILE THE AMERICANS CONTROL ONLY ABOUT 300,000."

D. RATIFICATION OF TREATY.

1. War Forced by the Administration to Secure Ratification of Treaty.

a STATEMENT.

To ratify the treaty with Spain required a two-thirds vote of the Senate, and many of the opponents of the colonial policy declared that they would vote for the treaty to prevent a reopening of negotiations with Spain and a possible complication, and that *afterward* they would vote for the United States to *promise independence* to the people of the Philippines.

But enough Senators were insisting on *direct cession of sovereignty to the people of the Philippines* to defeat the treaty; it required but a one-third vote to do this. While the Administration was thus facing defeat—*a defeat which was reasonably sure* UNLESS THE FLAG SHOULD BE FIRED UPON IN THE PHILIPPINES, the news came from the Philippines that THE FLAG WAS BEING FIRED UPON, AND DURING THE DAY SOME 250 AMERICAN SOLDIERS WERE WOUNDED AND KILLED. ON THE FOLLOWING DAY THE TREATY WAS RATIFIED.

b PROOF.

And how was it that this treaty was thus saved, and the people of the Philippines made subjects instead of attaining an independent government? The answer is as follows:

Not only did the Administration send more and more troops to the Philippines and purchase boats for military operations on the Philippine rivers, but at Manila Otis erected distilling plants so that should their water supply be cut off *they could stand a siege.* As to the firing of the first shot, it was doubtless unpremeditated by the Administration's officers. It is thus described in General Otis's report:

"An insurgent, approaching the picket [of a Nebraska regiment], refused to halt or answer, when challenged. The result was that our picket discharged his piece [killing the Filipino], when the insurgent troops near Santa Mesa opened a spirited fire on our troops there stationed. . . . *During the night* it was confined to an exchange of fire between opposing lines for a distance of about two miles. . . . IT IS NOT BELIEVED THAT THE CHIEF INSURGENTS WISHED TO OPEN HOSTILITIES AT THIS TIME."

But after daybreak GENERAL OTIS SENT HIS TROOPS TO ATTACK THE FILIPINO LINES, AND FORCED THE FIGHTING UNTIL 5 O'CLOCK IN THE EVENING, killing and wounding something like 3,000 Filipinos, while 250 of his fellow-citizens were killed and wounded.* BUT THE SENATE DID NOT KNOW THAT IT WAS MCKINLEY'S AGENT WHO WAS FORCING THE FIGHT, FOR THE CABLEGRAMS WERE CENSORED.

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* Proof of the foregoing is the report of General Otis: "*The engagement was one strictly defensive on the part of the insurgents and* OF VIGOROUS ATTACK BY OUR FORCES. * * * The battle continued until 5 p. m." At the close of the day Otis wired Dewey: "Insurgent dead between 500 and 1,000." And in a later report he names their loss at 3,000. As to the American loss, he says it was about 250 killed and wounded.

ITS MEMBERS WERE TOLD THAT THE FILIPINOS WERE ATTACKING OUR TROOPS.* *This deception resulted in the two-thirds vote for the acceptance by the United States of sovereignty over the Philippines.* Ten days later a majority of the Senate, in a vote upon the Bacon resolution, *refused to promise independence to the people of the Philippines*, THEREBY EVIDENCING A FIRM DETERMINATION ON THE PART OF THE ADMINISTRATION TO HOLD THEM AS SUBJECTS.

Before taking up the vote on this proposition it will be well to give further proof that the infamous action of General Otis in continuing the fight, and in lying about it over the cable, was in order to secure sovereignty over the people of the Philippines and the resources of their lands.

c FURTHER PROOF OF FRAUDULENT PRACTICES.

(1) Censorship of Cablegrams at Manila.

The censorship at Manila was in full operation when the first battle with the Filipinos took place, February 4. Evidence of this is a Washington special to the Chicago *Times-Herald, January* 27, 1899. In speaking about "a story published this morning concerning Agoncillo," it says: "About all the truth there was in it was that General Greeley, Chief Signal Officer of the War Department, had sent a cable message to Colonel Thompson, *the censor at Manila*, urging THAT A MORE COMPLETE CENSORSHIP BE MAINTAINED." This was eight days before the battle of Manila took place, and the people of the United States were told by the censor at Manila that the Filipinos were firing upon the troops and the flag, *thus concealing the fact that the fight was forced by General Otis against the protests of the Filipino General.*

Further evidence concerning the censorship is the following protest of the Manila correspondents, presented to General Otis July 9, 1899, and cabled from Hong Kong to the United States July 17:

Round Robin of Manila Correspondents.

The undersigned, being all staff correspondents of American newspapers stationed at Manila, unite in the following statement:

We believe that *owing to official dispatches* from Manila made public in Washington, THE PEOPLE OF THE UNITED STATES HAVE NOT RECEIVED A CORRECT IMPRESSION OF THE SITUATION IN THE PHILIPPINES, but that these dispatches have presented an ultra-optimistic view that is not shared by the general officers in the field.

We believe the dispatches *incorrectly represent the existing conditions* among the Philippines in respect to dissension and demoralization resulting from the American campaign and to the brigand character of their army.

We believe the dispatches *err in the declaration* that "The situation is well in hand," and in the assumption that the insurrection can be speedily ended without a greatly increased force.

We think the tenacity of the Filipino purpose *has been underestimated, and that the statements are unfounded* that volunteers are willing to enlist in further service.

The censorship HAS COMPELLED US TO PARTICIPATE IN THIS MISREPRESENTATION by excising or altering uncontroverted statements of facts on the plea, as Gen. Otis stated, that "they would alarm the people at home," or "have the people of the United States by the ears."

Specifications: Prohibition of hospital reports; suppression of full reports of field operations in the event of fail-

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***Further Proof of Deception.**

The following are the words of McKinley's campaign text book for the information of his speakers and writers:

"The attack *of the Filipino forces* UPON OUR TROOPS in the Philippines began February 4, 1899." (Page 90.)

"Just before the time set by the Senate of the United States for a vote upon the treaty, an attack, evidently prepared in advance, was made all along the American lines which resulted in a terribly destructive and sanguinary REPULSE OF THE INSURGENTS." (President's Message, December, 1899, page 40.)

"Deplorable as war is, the one in which we are engaged was UNAVOIDABLE BY US. WE WERE ATTACKED by a bold, adventurous and enthusiastic army." (Philippine Commission's "Preliminary" Report.)

ure; numbers of heat prostrations in the field; systematic minimization of naval operations, and suppression of complete reports of the situation.

ROBERT M. COLLINS,
JOHN P. DUNNING,
L. JONES,
The Associated Press.
JOHN T. MCCUTCHEON,
HARRY ARMSTRONG,
Chicago Record.
OSCAR K. DAVIS,
P. G. MCDONNELL,
New York Sun.
JOHN F. BASS,
WILL DINWIDDIE,
New York Herald.
E. D. KEENE,
Scripps-McRae Association.
RICHARD LITTLE,
Chicago Tribune.

Collins's Expose.

The following is the letter to the general manager of the Associated Press from the correspondent in the Philippines called forth by a request for an explanation of his reason for signing the protest of the correspondents against the censorship. It was written for the information of the general manager of the Associated Press:

Manila, P. I., July 30, 1899.—Melville E. Stone, Esq., General Manager the Associated Press, Chicago, U. S. A.—My Dear Mr. Stone: Your request for a detailed record of all circumstances leading to the statement cabled to the newspapers by all the correspondents in Manila is just received. In the beginning it should be explained that the correspondents had the question of taking some united action to secure the right to send the facts about the war, or, failing in that, to explain to our papers and the public why we were not telling the facts, two months before the cablegram was released.

The censorship enforced during the war AND BEFORE THE BEGINNING OF IT was, according to newspaper men who had worked in Japan, Turkey, Greece, Egypt and Russia in war times, and in Cuba under the Weyler regime and during our war, SO MUCH MORE STRINGENT THAN ANY HITHERTO ATTEMPTED THAT WE WERE ASTONISHED THAT THE AMERICAN AUTHORITIES SHOULD COUNTENANCE IT, and were confident that public opinion would be overwhelmingly against it if its methods and purposes became known.

For a long time we submitted to the censorship because of appeals to our patriotism and a feeling that we might be accused of a lack thereof if we made any trouble for the American authorities here.

But when Gen. Otis came down in the frank admission that it was not intended so much to prevent the newspapers from giving information and assistance to the enemy (the legitimate function, and, according to our view the only legitimate one of a censorship), BUT TO KEEP THE KNOWLEDGE OF CONDITIONS HERE FROM THE PUBLIC AT HOME, and when the censor had repeatedly told us, in ruling out plain statements of undisputed facts, "MY INSTRUCTIONS ARE TO LET NOTHING GO THAT CAN HURT THE ADMINISTRATION," we concluded that protest was justifiable.

Otis had gained the idea from the long submission by the newspaper men to his dictation that it was a part of the duty of the Governor General *to direct the newspaper correspondents as he did his officers.* Much of the censorship was conducted by him personally, the censor sending a correspondent to the General with any dispatch about which he had doubts. The process of passing a message was identical with the correction of a composition by a schoolmaster, Otis or the censor striking out what displeased him and inserting what he thought should be said, or, what came to the same thing, telling the correspondent he must say certain things if his story was to go.

In this way *the entire American press was made* THE PERSONAL ORGAN OF OTIS. [And the deceit admitted by Otis in changing the President's proclamation demonstrates what must have been the manner in which he reported the cause of the battle of Manila, whereby the treaty was ratified.] . . .

About the middle of June I wrote a conservative review to the effect that every one here was convinced that it would be impossible to end the war during the rainy season and for some time thereafter unless heavy reinforcements were sent.

The censor's comment (I made note of it) was: "Of course, we all know that WE ARE IN A TERRIBLE MESS OUT HERE, BUT WE DON'T WANT THE PEOPLE TO GET EXCITED ABOUT IT. If you fellows will only keep quiet now we will pull through in time without any fuss at home."

He took the story to Gen. Otis, who said: "Tell Collins that if he will hold that for a week or ten days he will thank me for not letting him send it,"

and when I went to see him repeated the same old story about the insurrection going to pieces, and hinted so portentously about having wonderful things up his sleeve that I almost believed him in the face of past experiences of the same sort. The other men had practically the same experience, each one trying to get through a story of how matters stood at the beginning of the rainy season, then on. . . .

Three hours of exceedingly plain talk followed. *The General did not contradict our statements that* THE PURPOSE OF THE CENSORSHIP WAS TO KEEP THE FACTS FROM THE PUBLIC, but said that what we wanted was to have the people stirred up and make sensations for the papers. We told him that there had never been any subject furnishing more good material for sensations than this war, and that he should be exceedingly grateful to the papers for handling it so temperately.

In that connection we reminded him that *the stories of looting in soldiers' letters home* HAD BEEN LITTLE, IF ANY, EXAGGERATED. Davis and Bass told him they had personally seen our soldiers bayoneting the wounded, and I reminded him that the cutting off of the ears of two American soldiers at Dasmarinas had been *merely retaliation for similar mutilations of dead Filipinos by the Americans.* (No one could possibly tell stronger stories of the looting and blackmailing by our soldiers than Otis has told, although he charges it all to the volunteers.)

We told him that we had refrained from sending these things and others of similar nature because we did not wish to make sensations. We told him that the censorship was purely for the purpose of giving the impression at home that everything was lovely here, otherwise he would suppress the local papers which print all sorts of clippings from the American papers denouncing the Administration, and which keep the enemy posted on the position of every company in our army, and even give advance notice of intended movements.

Dealing with the specifications, we said that the hospital officers refused to give us any information as to the number of sick, on the ground that *he* had instructed them to withhold such facts from the papers; also that he had reported to Washington a percentage of 7½ sick when the surgeons agreed that from 20 to 30 per cent of the command was sick; that not more than 10 per cent of some regiments were fit for duty, and that the hospital force was entirely inadequate, as well as the hospital room, so that they were compelled to discharge hundreds of men who were really sick to make room for more urgent cases. . . .

In the matter of prejudice against the navy, it was stated on the part of the correspondents that all were compelled to change their accounts of the taking of Iloilo, *to make it appear that the army had done the work with immaterial assistance from the warships*, and that only a few houses were burned. The unquestioned facts told in the original stories were that THE SOLDIERS DID NOT LAND UNTIL THREE HOURS AFTER THE MARINES HAD RAISED THE FLAG AND CHASED THE INSURGENTS OUT. . . .

Recently I filed what I thought a most inoffensive statement that the business men who had appeared before the commission had advocated the retention of the existing silver system of currency. The censor said: *"I ought not to let that go. That would be a lift for Bryan.* MY INSTRUCTIONS ARE TO SHUT OFF EVERYTHING THAT COULD HURT MCKINLEY'S ADMINISTRATION. That is free silver." I explained that the silver system here was not 16 to 1, and with seeming reluctance he O. K.'d the item. . . .

There has been, according to Otis himself, and the personal knowledge of every one here, a perfect orgy of looting and wanton destruction of property and most outrageous blackmailing of the natives and Chinamen in Manila and various incidents like the shooting down of several Filipinos for attempting to run from arrest at a cock fight, not to mention court-martials of officers for cowardice and the dismissal of General ——— for getting hopelessly drunk on the eve of two important battles—all of which the correspondents have left untouched by common consent.

Also there are the usual number of army scandals and intrigues, which we have not aired, foremost among them the fact (it is universally considered a fact in the army) that Otis is deeply prejudiced against and jealous of Lawton, and has done everything in his power to keep Lawton in the background and prevent him from making a reputation. . . .

Further Statement as to Censorship.

The following is a private letter from John T. McCutcheon to the editor of the Chicago Record, explaining his reasons for signing the protest of the correspondents, as published in the Chicago Record, September 30, 1899:

In view of the fact that our protest against the censorship in Manila has attracted considerable attention I thought it might be well to give you a brief story regarding the matter.

Here are a few instances of Otis's censorship:

Collins of the Associated Press submitted a telegram which stated that the business men of Manila believed the silver basis best for the islands. Thompson read it and exclaimed: 'Why, that's a direct boost for Bryan. My instructions are to let nothing go that will hurt the McKinley administration."

One day, when asked just what matter could go, Thompson said: "Nothing in reference to future moves of the military, nothing calculated to aid or comfort the enemy and *nothing that will hurt the administration.*"

On another occasion a telegram was submitted referring to the court-martial of an army officer. Thompson said: "No, that can't go. Nothing can go out of here that will reflect on the army." . . .

During the row between Otis and the Peace Commissioners all news referring to the latter was struck out. "The Peace Commission has no standing here," said Otis. . . .

Matter has frequently been cut out of our dispatches on the ground, to quote literally, "that would have the people of the United States by the ears." This has been a favorite expression of Otis' when he has cut out matter that might alarm people at home.

Nothing was ever allowed to go which might indicate that the volunteers wanted to go home and were disgusted at fighting the Filipinos. There were numberless instances proving this sentiment, but we were not allowed to use any of them. One regiment nearly had a mutiny in one of its companies. It was a regular regiment, but the men who had enlisted for the Spanish war said that they would lay down their arms the day their time was up if not sooner discharged.

From censorship at Manila let us turn to the War Department at Washington.

(2) Censorship at War Department.

The following is proof that the War Department at Washington has likewise deceived the people. For example, after the war was in full blast and the term of service of the volunteers had expired, the War Department gave out the following statement: "A cablegram from General Otis states that *the volunteers are willing to remain.*" But Congressman Lantz, as a member of the Military Committee of the House, demanded to see the original, and it read: "Volunteers willing to remain in Manila *until the transports arrive.*" (Cablegram of April 19, 1899.)

(3) Censorship at State Department.

And the State Department has suppressed the truth. During the summer of 1899 the President entered into an agreement with the Sultan of Sulu, and slavery and polygamy were dealt with. The public desired to know just what had been agreed to and the Associated Press endeavored to secure a copy of the agreement. In response to the application, its representative was handed a copy in *Arabic—Sulu Arabic at that;* AND THEY COULD NOT FIND ANYBODY IN THE UNITED STATES WHO WAS ABLE TO TRANSLATE IT. THE STATE DEPARTMENT HAD A COPY IN ENGLISH, for the last paragraph of the treaty says: "Signed in triplicate, in English and Sulu, at Jolo this 20th day of August, 1899."

From this it appears that the State Department does not hesitate to withhold information or mislead and deceive the public.

Senator Pettigrew set forth these facts on the floor of the Senate, and continued:

"I wonder if our State Department has two branches, as the English State Department has—one that is secret, where secret matter is concealed forever from the public and never published in the Blue Book, and one which is given to the people in order to justify English robbery, English plunder and English annexation, in which is filed the information that goes in the Blue Book to silence the conscience of the English people. Have we adopted the same policy of concealment, the same policy of refusal to let the public know what exists?

"I say this agreement, when the Associated Press tried to get a copy of it before the Senate convened, was furnished in Arabic, and an Arabic used in the Sulu Islands. Therefore it was not possible to have it translated in the United States, *and we only got this copy*

which I have read after Congress convened AND AFTER THE ELECTIONS LAST FALL WERE OVER. This is on a par and in line with the whole business of concealing from the American people the facts in regard to our maiden foreign venture. We are unable to procure the truth through General Otis. Mr. Collins, of the Associated Press, says the censor told him he was to send nothing and they were going to allow nothing to be sent that would injure the Administration or help Mr. Bryan."

The foregoing shows the policy of fraud practiced by the Administration—a government that is holding the people of Porto Rico and of the Philippines as subjects instead of citizens—and which, if endorsed by the voters, changes the Republic to an Empire. But the voters would not knowingly do such a thing, and therefore the Administration has had to stoop to deceit. Should the voters—the sovereign power—learn what their elected rulers have done and are doing, they will refuse them re-election.

The foregoing is only a partial statement of the fraud perpetrated by the Administration in securing the ratification of that portion of the treaty which holds the people of the Philippines as its vassals.

2. Ratification Secured by Promise to Senators That Independence Would Be Granted.

During the day that General Otis kept the flag under fire and assaulted the Filipinos, Senator Wellington, who up to this time had worked against the ratification of the clause which should make the Filipinos subjects of the United States Government, called on the President with a colleague. The President secured Senator Wellington's vote by means of the statement that "*it was not his purpose to permanently acquire or hold, against the consent of the inhabitants of the Philippine Islands;* that it was his purpose only to restore law and order by American arms in the contest then being waged [this was the day that General Otis assaulted the Filipinos], and to prevent foreign interference in the affairs of the archipelago." "This," declares Senator Wellington, "was the understanding, *and upon that promise I voted for the ratification of the treaty;* WITHOUT MY VOTE IT WOULD NOT HAVE BEEN RATIFIED. The treaty was ratified by means of the promise of the President, but that promise was not fulfilled."*

E. ADMINISTRATION DEFEATS PROMISE OF INDEPENDENCE.

1. Defeat of Bacon Resolution.

But *after* the ratification of the treaty *President McKinley exerted all his power to defeat a promise of independence.* A month before hostilities had begun at Manila, Senator Bacon introduced a resolution promising independence to the people of the Philippines.** and after the ratification of the treaty it was again brought forward, but, as just stated, *it was defeated.* It was voted

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* Written statement of Senator Wellington, read before an audience at Cumberland, Md., September 4, 1900.

** **Bacon Resolution.**

"Resolved further, That the people of the United States hereby *disclaim* any disposition or intention to exercise *permanent* sovereignty, jurisdiction, or control over the people of said islands, *and assert their determination,* when a stable and independent government shall have been erected therein, entitled in the judgment of the Government of the *transfer to said Government,* upon terms which shall be reasonable and just, *all rights secured under the cession by Spain, and thereupon to leave the government and control of the islands to their people.*"

The vote, however, stood a tie until the President of the Senate (the Vice-President of the United States), cast his ballot against the promise of ultimate self-government.

down by Mark Hanna and the other Administration Senators.

Most of the Senators who refused to promise self-government to the Filipinos were the men who refused to promise self-government to the Cubans at the time the Spanish war was declared. Among the Senators who THUS VOTED AGAINST A PROMISE OF INDEPENDENCE TO THE CUBANS AND ALSO AGAINST A SIMILAR PROMISE TO THE PEOPLE OF THE PHILIPPINES WERE HANNA of Ohio, PLATT of New York, McMILLAN and BOROUGHS of Michigan, FAIRBANKS of Indiana, CARTER of Montana, GEAR of Iowa, FRYE of Maine, PLATT of Connecticut, DEBOE of Kentucky, McBRIDE of Oregon.

The Democratic, Silver Republican and Populist Senators voted, almost to a man, for the promise of independence to the Filipinos. And it was these reform Senators whose votes secured to the Cubans their promise of independence.

In the House of Representatives the Republican leaders did not permit the question of Philippine independence to come to a vote, but the Democrats, Populists and Silver Republicans held a caucus and adopted a resolution similar in effect to the Bacon resolution.

Mr. Bryan, with many other leading men, favored the passage of the Bacon resolution promising independence to the people of the Philippines, and it would have been better, they all said, had the treaty ceded the sovereignty of the Philippines direct to the people of that country, the same as was done with the Cuban sovereignty; but rather than reject the treaty and thus continue the war, with its expense and the risk of international complications, *they considered it wiser to ratify the treaty* AND PROCEED AT ONCE TO PROMISE INDEPENDENCE TO THE PEOPLE OF THE PHILIPPINES.

But Mr. Bryan's position has been misrepresented, and to inform the people he made the following statement in a speech at Topeka:

2. Mr. Bryan's Record--Filipino Independence Advocated.

"No honest man can criticise me for advocating the ratification of the treaty *without also stating that I favored a resolution promising independence*, and no reasonable man can doubt that the adoption of such a resolution would have secured peace in the Philippine Islands. There has not been a day from that time to this when hostilities could not be stopped by such a resolution."

But the advocates of the Administration's new policy of holding subjects are deliberately misrepresenting Mr. Bryan, keeping from the public the fact just pointed out. Among others, Mr. Seth Low, President of Columbia University, has been guilty of this gross deception.

3. American Mass Meetings and Resolutions for Philippine Independence.

Mass meetings were held throughout the United States during the months following the defeat of the Bacon resolution, and the following is a sample of the resolutions passed:

At a meeting in Chicago at Central Music Hall, April 30, 1900, speeches were made by the President of the Northwestern University, a Methodist institution; by Prof. J. Lawrence Laughlin, of Chicago University, a Baptist institution; by Bishop Spalding, of the Roman Catholic Church; by Rev. Jenkin Lloyd Jones, of the Unitarian Church; by Miss Jane Addams, of Hull House, Chicago, and others, and a resolution was adopted by the great audience, with only four negative votes, the conclusion of which is as follows:

"Our Government should at once announce to the Filipinos its purpose *to grant them* under proper guarantees of order *the independence for which they have so long fought*, and should seek by diplomatic methods to secure this independence by the common consent of nations. It is today as true of the Filipinos as it was a year ago of the Cubans that they "are and of right ought to be free and independent."

F. ADMINISTRATION CONTINUED TO REFUSE PROMISE OF INDEPENDENCE.

1. McKinley's Speeches, October, 1899, "Hold the Philippines."

President McKinley, in the course of his speechmaking in the fall campaign of 1899, clearly stated the policy of denying self-government to the people of the Philippines, thus holding them as subjects.

At Minneapolis, October 12, he said:

"The future of the new possessions is in the keeping of Congress ,and Congress is the servant of the people. That they will be retained under the benign sovereignty of the United States I do not permit myself to doubt."

At Cleveland, October 18, he further said:

"Peace will come, and I believe will come shortly, and we will be able to give those people in the Philippines a government . . . under the undisputed sovereignty of the United States."

There is, then, no question but that last October it was the intention of the Administration to hold the Filipinos and to make for them the laws under which they shall live.

Bearing on this point is the speech at Chicago of Postmaster General Smith, October 9, who, in company with President McKinley, assisted in the laying of the cornerstone of the new postoffice. He said:

"What citizen of the Republic shall so impugn the honor of his country and the integrity of her institutions as to proclaim before the world that her sceptre extended over rude and remote peoples means wrong and oppression and spoilation?"

"Sceptre extended over rude and remote peoples" is truly imperial and is the exact opposite of self-government or a promise of self-government. The sovereign state that sways a sceptre is not a Republic, but an Empire, and he who holds the sceptre is in reality an Emperor and not a President—who ever heard of a President's sceptre? And for Mr. Smith to use the term Republic simply shows that he and his fellows are trying to deceive the people. And prominent members of McKinley's political party are championing this doctrine of conquest. This is set forth in later pages.

2. Report of the First Philippine Commission—"Hold the Philippines."

A further showing of the Administration's attitude toward the people of the Philippines is the report of McKinley's first Philippine Commission. It recommends that Congress shall continue to be the supreme power in the Philippines, and that *its people shall not become citizens*—SHALL REMAIN SUBJECTS.* Of course the Commission does not state the case in these words, but such is the meaning of its report.

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* FORM OF GOVERNMENT OFFERED.

The government proposed to the people of the Philippines by the Commission, of which Schurman was President, was in conformity with the following instructions by McKinley, through Secretary of State Hay:

"WASHINGTON, May 5, 1899.

"Schurman, Manila:

"Yours 4th received. You are authorized to propose that under the military power of the President, pending action of Congress, a government of the Philippine Islands shall consist of a Governor General *appointed by the President;* Cabinet *appointed by the Governor General;* a general advisory council elected by the people; *the qualification of the electors to be carefully considered and determined;* and the Governor General to have ABSOLUTE VETO. Judiciary strong and independent; principal judges *appointed by the President*; a cabinet and judges to be chosen from natives or *Americans, or both*, having regard for fitness. The President earnestly desires cessation of bloodshed, and that the people of the Philippine Islands at an early date shall have the largest measure of local self-government consistent with peace and good order.

"HAY."

3. Debates in the Senate--"Hold the Philippines."

Further evidence of the intention to hold the Philippine Islands and the inhabitants is the debates in the Senate. The Administration Senators were unanimously agreed in refusing to promise ultimate independence, and no one has dared to hint that the brown men of the Philippines shall elect members to the United States Senate and House of Representatives, and thus help to govern the white men of the United States. In other words, the intention of the Administration Senators is to hold the people of the Philippines *as subjects.*

4. Statements by the Republican National Convention, the Notification Committee, and the Reply of President McKinley--"Hold the Philippines."

Platform.

The only portion of the Republican National Platform which touches upon the policy toward the people of the Philippines is as follows:

"The largest measure of self-government consistent with their welfare [that of the people of the Philippine Islands] and our duties shall be secured to them by law."

Observe that this statement is, that the Administration will do *its duty,* BUT IT DOES NOT STATE WHAT THAT DUTY IS—whether to assist the people of the Philippines to a stable government OF THEIR OWN MAKING AND TO INDEPENDENCE, OR TO CONTINUE TO HOLD THEM AS SUBJECTS.

This omission from the platform of a statement concerning these opposite policies is one of the most astounding things that has occurred in a political campaign in a free country. It is in effect *an admission that the convention declares for the holding of subjects;* for were it otherwise the fact, it would have been stated in unequivocal terms. Confirmatory proof that this is so is not only the history of the case in the preceding pages, but also the following statements of the Chairmen of the Convention, the speech of the Chairman of the Notification Committee, and the reply of Mr. McKinley.

Speech by Chairman of Notification Committee.

Senator Lodge, who was the Permanent Chairman of the Republican National Convention, was selected as chairman of the committee to notify President McKinley of his renomination. In the course of a carefully prepared speech Senator Lodge said:

"The peace [with Spain] you had to make alone. Cuba, Porto Rico, the Philippines; you had to assume alone the responsibility of taking them all from Spain. Alone, and weighted with the terrible responsibility of the unchecked war powers of the Constitution, you were obliged to govern these islands and repress rebellion and disorder in the Philippines.

"No party creed defined the course you were to follow. Courage, foresight, comprehension of American interests, both now and in the uncharted future, faith in the American people, and in their fitness for great tasks, were then your only guides and counselors. Thus you framed and put in operation *this great new policy* which has made us at once masters of the Antilles and a great eastern power, *holding firmly our possessions* on both sides of the Pacific. [Observe that this is an admission of holding the people of Porto Rico and of the Philippines as subjects.]

"The new and strange ever excite fear, and the courage and prescience which accept them always arouse criticism and attack. Yet *a great departure and a new policy* were never more quickly justified than those undertaken by you. On the possession of the Philippines rests the admirable diplomacy which warned all nations that American trade was not to be shut out from China. It is to Manila that we owe the ability to send troops and ships in this time of stress to the defense of our ministers, our missionaries, our consuls and our merchants in China, instead of being compelled to leave our citizens to the casual protection of other powers, as would have been unavoidable *had we flung the Philippines away and withdrawn from the Orient.* . . .

"The Philadelphia convention *has adopted your policy* both in the Antilles and the Philippines, AND HAS MADE IT ITS OWN AND THAT OF THE REPUBLICAN PARTY.

"Your election, sir, next November assures to us THE CONTINUANCE OF THAT POLICY ABROAD AND IN OUR NEW POSSESSIONS.

Reply of the Presidential Nominee.

To the foregoing President McKinley replied:

"The message which you bring to me is one of signal honor.

* * * *

"If my countrymen shall confirm the action of the convention at our national election in November, I shall, craving divine guidance, undertake the exalted trust, to administer it for the interest and honor of the country, and the well-being of the new peoples *who have become the objects of our care* [I. E., OUR SUBJECTS].

* * * *

"A beneficent government has been provided for [the people of] Porto Rico.

"The Philippines are ours, and American authority must be supreme throughout the archipelago. There will be amnesty broad and liberal, *but no abatement of our rights. . . . There must be no scuttle policy.* . . .

"No outside interference blocks the way to peace and a stable government. The obstructionists are here, not elsewhere. They may postpone but they cannot defeat the realization of the high purpose of this nation to restore order to the islands and to establish a just and generous government, in which the inhabitants shall have *the largest participation of which they are capable.*

* * * *

"We have been moving in *untried paths.* * * * There will be no turning aside, no wavering, no retreat."

In reviewing the foregoing, it will be observed that both President McKinley and the Chairman of the Committee on Notification state that as to the Philippines there will be no turning back from this new policy of holding subjects; that this "untried path" for the United States will not be forsaken. And we shall see that the two chairmen of the Republican National Convention made equally strong declarations.

Temporary Chairman's Report.

Temporary Chairman Wolcott, of the Senate, in a carefully prepared address to the Convention, thus declared the Administration's policy regarding the people of the Philippines:

"We haven't been there long, but long enough to reach two conclusions. One is that the first thing we intend doing is to suppress the Tagal insurrection and to establish law and order throughout the archipelago. That is the first thing we shall do. And the last, the very last thing we intend doing, *is to consider even for a moment the question of giving up or of abandoning these islands.* We are *actual owners of the Philippines* by an undisputed and indubitable title. . . . The American people will *not* signalize the dawn of the new century by *the surrender of territory.* . . . On its soil [the Philippine] *no foreign flag shall ever salute the dawn.*"

Later, the permanent chairman, Senator Lodge, in his address, declared:

Permanent Chairman's Report.

"We do not mean that the Philippines shall come *within our tariff system or become part of our body politic.* We do mean that they shall, under our teaching, learn to govern themselves *and remain under our flag with the largest possible measure of home rule.* We make no hypocritical pretenses of being interested in the Philippines solely on account of others. While we regard the welfare of those people as a sacred trust, we regard the welfare of the American people first. . . . The Democratic party *seeks under cover of a* NEWLY DISCOVERED AFFECTION FOR THE RIGHTS OF MAN *to give up these islands of the East.* . . . The choice lies between this Democratic policy and the Republican policy *which would hold the islands.* . . . We take issue with the Democrats *who would cast off the Philippines.*"

To the same effect as the foregoing are the statements of the Vice-Presidential nominee, Governor Roosevelt, which are quoted below.

G. SUMMARY AS TO ADMINISTRATION'S POLICY—"HOLD THE PHILIPPINES."

A review of the foregoing acts demonstrates:

(1) That the Administration, when it formulated the treaty with Spain and ratified it, took the people of the Philippines as subjects, and has since refused

to promise them independence or to make them citizens of the United States.

(2) That the people of the Philippines are fighting because of our refusal to promise them ultimate independence. It is a war for independence the same as was our war of a century ago.

(3) That the conquest of this people by the Administration is contrary to the principles of a republic, and therefore if ratified at the polls will overthrow the republic and establish an empire.

The policy advocated by Mr. Bryan and the parties who have put him in nomination is as follows:

H. POLICY OF THE REFORM PARTIES: "MAINTAIN THE REPUBLIC, GIVE INDEPENDENCE TO THE PEOPLE OF THE PHILIPPINES, AND EXTEND THE MONROE DOCTRINE."

Mr. Bryan, in his Speech of Acceptance at Indianapolis, said:

There is an easy, honest, honorable solution of the Philippine question. It is set forth in the Democratic platform and it is submitted with confidence to the American people. This plan I unreservedly indorse. If elected, I will convene Congress in extraordinary session as soon as inagurated and recommend an immediate declaration of the nation's purpose, first, to establish a stable form of government in the Philippine islands, just as we are now establishing a stable form of government in Cuba; second, to give independence to the Filipinos; third, to protect them from outside interference while they work out their destiny, just as we have protected the republics of Central and South America, and are, by the Monroe doctrine, pledged to protect Cuba.

A European protectorate [continues Mr. Bryan] often results in the plundering of the ward by the guardian. *An American protectorate gives to the nation protected the advantage of our strength, without making it the victim of our greed. For three-quarters of a century the Monroe doctrine has been a shield to neighboring republics and yet it has imposed no pecuniary burden upon us.* After the Filipinos had aided us in the war against Spain, we could not honorably turn them over to their former masters; we could not leave them to be the victims of the ambitious designs of European nations, and since we do not desire to make them a part of us or to hold them as subjects, WE PROPOSE THE ONLY ALTERNATIVE, NAMELY, TO GIVE THEM INDEPENDENCE AND GUARD THEM AGAINST MOLESTATION FROM WITHOUT.

As Mr. Bryan has said, under this plan the United States will assume no pecuniary burden nor moral obligation, except to insist, as in the case of the American Republics, that no empire of the old world shall make war upon the Filipino Republic, but shall settle its differences through a court of arbitration, just as the Venezuela Case was settled. The Monroe Doctrine is simply a command for Arbitration instead of War.

The reform parties in the United States, including the Anti-Imperialist Republicans, propose that this policy shall be extended to the Republic of the Philippines. Who will say nay? The trust magnates of the United States say "Nay," because they want the franchises and want to extend to the Philippines, Porto Rico and other lands their monopolies in sugar and like necessaries of life; but who else wants to prevent the establishment of a Republic in the Philippines? It will not stand forth alone until, as in Cuba, the United States Government is assured that the people are capable of maintaining a stable government. Who objects to the policy declared as to Cuba? Senator Mark Hanna voted against it; so did all the other representatives of the trusts. And these men who objected to independence for the Cubans are objecting to independence for the people in the Philippines. President McKinley's argument against it is set forth in his Letter of Acceptance, but it is full of fallacies which, when exposed, show that there is no valid objection to the course proposed by the reform parties.

PART IV.

The Policy of Empire (Holding Subjects) Outlined.

A. STATEMENTS BY PARTY LEADERS.

A. Statements by Party Leaders.. 141
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F. The Paramount Issue:
1. *Empire Versus Republic*..... 148
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The policy of empire which the Administration has pursued is set forth in the preceding pages. Further statements by several of the party leaders are as follows.

Chairman of Notification Committee.

Senator Lodge, as chairman of the committee to notify Mr. McKinley of his nomination, stated it in his speech. He said:

No party creed defined the course you were to follow. Courage, foresight, comprehension of American interests, both now and in the uncharted future; faith in the American people and in their fitness for great tasks, were *then* your only guides and counselors. THUS YOU FRAMED AND PUT IN OPERATION THIS GREAT POLICY which has made us at once masters of the Antilles and a great eastern power, *holding firmly our possessions* on both sides of the Pacific.

That is a clear and concise statement that the policy of holding subjects is a "new policy"; and that it has been framed by McKinley and his advisers and "put in operation."

Further on in his speech Senator Lodge declared:

THE PHILADELPHIA CONVENTION HAS ADOPTED YOUR POLICY both in the Antilles and the Philippines, and has made it its own and that of the Republican party.

New Policy Adopted at Philadelphia.

The members of the Republican party should bear in mind *this admission that the policy of holding foreign people and territory by conquest is a* NEW POLICY —ONE WHICH THEIR PARTY HAS ALWAYS OPPOSED UNTIL IT WAS ADOPTED BY THE PARTY LEADERS AT THE PHILADELPHIA CONVENTION.

THE POLICY OF FOREIGN CONQUEST IS THE EXACT OPPOSITE OF THE POLICY WHICH PREVAILED UP TO THE YEAR 1898.

President McKinley stated this fact in a most concise manner when referring to Cuba in 1898. He said: "I speak not of forcible annexation because that can not be thought of. That, by our code of morals, would be criminal aggression." And in regard to Porto Rico he stated that "our plain duty" is to give its people equal rights—self-government. Further statements that up to 1898 this policy of conquest was abhorred by all our statesmen, are set forth at page 206, below.

President McKinley, in his reply to Chairman Lodge's speech of notification, said:

McKinley in Reply to Notification.

The message which you bring to me is one of signal honor. * * * IF MY COUNTRYMEN SHALL CONFIRM THE ACTION OF THE CONVENTION AT OUR NATIONAL ELECTION IN NOVEMBER, I shall, craving divine guidance, undertake the exalted trust to administer it for the interest and honor of the country and the well-being of the new peoples who have become THE OBJECTS OF OUR CARE.

A beneficent government has been provided for Porto Rico. The Philippines are ours and American authority must be supreme throughout the archi-

pelago. There will be amnesty broad and liberal, *but no abatement of our rights.* * * * There must be no scuttle policy. * * * WE HAVE BEEN MOVING ALONG UNTRIED PATHS. * * * THERE WILL BE NO TURNING ASIDE, NO WAVERING, NO RETREAT.

In the above the President admits that this holding of subjects, this policy of Empire and the overthrow of the Republic, is, as to the United States, an "untried path." In all the butchery of men in the Philippines simply because they demand the right of self-government, "we have been moving in untried paths." THIS POLICY WHICH UP TO TWO YEARS AGO, WAS OPPOSED BY REPUBLICANS AND DEMOCRATS ALIKE, IS TODAY THE POLICY OF THE NEW REPUBLICAN PARTY — THE PARTY OF THE TRUSTS AND CENTRALIZED WEALTH; THE PARTY OF HANNA, PLATT, ROCKEFELLER, PIERPONT MORGAN, AND THE OTHER MILLIONAIRES.

IT IS THE M'KINLEY REPUBLICAN PARTY *versus* THE LINCOLN REPUBLICAN PARTY.

Tom Reed refused to participate in this policy of Empire and resigned the Speakership of the House, and has refused to speak in the campaign. He refuses to argue for the overthrow of the Republic and the establishment of an Empire. And Ex-President Harrison has likewise declared that he favors a Republic, and it is believed he will continue to champion this principle and refuse to take the stump for the policy of Empire which the trusts have put forward.

THE DATE WHICH MARKS THE COMPLETE ASCENDANCY OF THE TRUSTS IN THE CONTROL OF THE GOVERNMENT MARKS THE INAUGURATION OF THIS NEW POLICY OF EMPIRE, this holding of foreign subjects *in addition to the subjects at home whom the trusts are fleecing.*

B. McKINLEY'S CAMPAIGN TEXT BOOK.

Further proof that this new policy of Empire is admitted by the McKinley Administration is its CAMPAIGN TEXT BOOK. A chapter is devoted to

"COLONIES AND COLONIZATION."

This chapter opens with a recital that "An unexpected incident in the war with Spain * * * brought *under the* CONTROL *of the United States* the Philippine Islands, the Island of Guam and the Island of Porto Rico, while other events have also brought other islands of the Pacific *under the* CONTROL AND CARE *of the United States Government.*

* * * * * *

"It is proper, then, that we study, as far as we may," continues this McKinley campaign book, "the methods by which the older nations [the Old World Empires] and those of longer experience in the management of non-contiguous territory, GOVERN SUCH TERRITORY. * * *" Then follows a recital of the number of colonies, protectorates and dependencies of the world, and it is shown that "TWO-FIFTHS BELONG TO GREAT BRITAIN; their area (including the native feudatory states of India) being one-half of the grand total of colonial territory, and their population considerably more than one-half the grand total of colonial population. * * * Commerce between the successful colonies and their mother (?) countries is in nearly all cases placed upon practically the same basis as that of other countries. * * * In this particular WE HAVE GIVEN TO PORTO RICO AND HAWAII VASTLY BETTER TREATMENT THAN IS USUAL WITH COLONIES. * * *"

The succeeding section is headed:

"EFFECT OF COLONIZATION UPON THE PEOPLE OF THE COUNTRIES COLONIZED."

This, reduced to words which do not tend to mislead, would read as follows: "Effect of a Government By Force," or "Effect of the Enactment and Administration of Laws by *Foreigners.*"

The effect of this system is to be shown in the McKinley text-book. Quotations are made from a statement by the "Chief of the Bureau of Statis-

*Speech at Cumberland, Md., Sept. 4, 1900.

tics" in the "Forum" for January, 1900. A conspicuous one is as follows:

ARGUMENT PUT FORTH BY CHIEF OF THE BUREAU OF STATISTICS.

"Probably the most striking example of the advantages accruing to a population in a GOVERNMENT SUPPLIED *by experienced people of* OTHER BLOOD AND CLIMATE is the case of India." Then follows considerable space devoted to what is considered by Mr. McKinley's appointee as *proof that the Government of India* BY THE BRITISH HAS BEEN ADVANTAGEOUS TO THE PEOPLE OF INDIA. The important point to us at this stage of the examination of the subject is the fact that THE ADMINISTRATION PLANTS ITSELF SQUARELY ON THE OLD WORLD IDEA OF HAVING THE UNITED STATES GOVERNMENT HOLD THE PEOPLE OF FOREIGN COUNTRIES BY FORCE—HOLD THEM AS SUBJECTS.

In an endeavor to prove that this government by force is preferable to self-government, Mr. McKinley's Campaign Text Book, *for the use of the speakers and writers who are to persuade the people to vote for this doctrine*, gives page after page to the question of

"*Are Colonies (the Holding of Subjects) Advantageous to the Commerce or People of the Governing Country?*"

Other pages are devoted to "*Cost of Colonization.*" Under this heading the fact appears that the chief of McKinley's Bureau of Statistics *has been writing to leading men in the Old World empires, asking them* "Whether, in the development of the colonies, the construction of highways, railways, telegraphs, harbors, the establishment of the postal system, schools and educational facilities generally, THE EXPENSES ARE BORNE BY THE HOME GOVERNMENT." (Page 137.)

Thus it appears that *McKinley has been having his officers ascertain the* DETAILS OF HOW THE EMPIRES OF THE OLD WORLD APPORTION THE COST OF HOLDING SUBJECTS. A set form of questions was sent out by this "Chief of the Bureau of Statistics," thus showing that HE HAS SENT THEM THROUGHOUT THE SEVERAL EMPIRES OF THE OLD WORLD.

The text book quotes the answers of a leading London editor, *telling just how the thing is done.* For example, he says:

"The troops in the Colonies are paid directly by the home government, but the leading colonists pay the Government a proportion." Among other things the fact is mentioned that in South Africa the British Government has guaranteed some of the bonds that Cecil Rhodes issued.

OPINION OF AVERAGE ENGLISHMAN.

In response to the question "Is the Colonial system generally looked upon by the people of the home Government as advantageous or otherwise"? the reply of this London editor is that, "Roughly speaking, the average Britisher is ready to accept responsibility, *but he is not particularly enthusiastic about it.*"

This should be read by Mr. McKinley's men who are on the stump. They should state that the British people are "not particularly enthusiastic" about holding foreign races by force, and then the question could be fairly put to each audience:

QUESTION FOR AMERICAN CITIZENS.

Do you or do you not favor holding foreign peoples by force? And the speaker should also add "Of course, you understand that a vote by the American people for the holding of foreign races by force—the holding of subjects—*is the establishment of an Empire and the termination of the Republic of the United States.*"

The question is squarely dealt with in the Republican Campaign Text Book, except that it uses names that are more pleasing to the ear than is "government by force," "subjects," etc. It uses the words "Colonies," "Mother Country," etc., and Mr. McKinley has used "benevolent assimilation," "liberty," "civilization," etc.

ANSWER OF M'KINLEY, ROCKEFELLER, CARNEGIE AND OTHER TRUST MAGNATES.

McKinley's answer, and that of the

men who own the trusts, is that the people of the Philippines, *and their property and services* SHOULD BE HELD BY FORCE. THEY ARE ALSO SUPPRESSING LABOR UNIONS IN IDAHO BY FORCE; *and have been doing so* WITH UNITED STATES TROOPS FOR MORE THAN A YEAR.

In Idaho hired black men are controlling white men *by force*, while in the Philippines it is white men who are controlling brown men *by force*. Laboring men throughout the United States *are denied trial by jury* through government by injunction. AND ALL OUR CITIZENS ARE CONTROLLED BY THE TRUSTS AND OTHER MONOPOLIES THROUGH FORCE. The existence of combinations in restraint of trade are *unlawful*, YET THEY FORCE US TO PAY THEM EXCESSIVELY HIGH PRICES FOR THE THINGS THEY SELL US AND THEY FORCE PEOPLE TO SELL TO THEM AT UNDULY LOW PRICES. This they do through their control of the government. If the government were turned against them the law would be enforced.

ANSWER OF THE PEOPLE.

The people voice their answer by voting against the man and the party supported by Rockefeller, Pierpont Morgan and the other trust magnates. They need not read the evidence, but can just vote against the man and party that the trusts are supporting. No need to ask what Lincoln said nor compare his principles with those of McKinley, although this is conclusive. The people who are oppressed have only to find out whether the trusts are in the party of Hanna and McKinley and then to vote for the nominees of the other party.

C. THE PHILADELPHIA PLATFORM.

The platform adopted by the McKinley Administration at Philadelphia is in line with the policy of ruler and subject, which the President, Gov. Roosevelt, Senator Lodge, and others, are advocating. It declares as to the Filipinos:

"THE LARGEST MEASURE OF SELF-GOVERNMENT CONSISTENT WITH THEIR WELFARE AND OUR DUTIES SHALL BE SECURED TO THEM BY LAW."

Observe that there is a refusal to promise self-government, and that the principle laid down is: *The Administration will do what it conceives to be its duty.* In other words, the McKinley Administration, if it is continued in office, IS TO DECIDE FOR ITSELF WHAT MEASURE OF SELF-GOVERNMENT IS BEST FOR ITS SUBJECTS IN THE PHILIPPINES. This is the exact opposite of the principle of self-government set forth in the Republican National Platforms of 1856 and '60, namely, that government should rest upon the consent of the governed. Upon this principle Abraham Lincoln stood, fought, and died. A Republic is founded upon this principle, while an Empire rests upon the principle announced in the McKinley platform. The Czar of Russia conducts his government upon the principle laid down in the McKinley platform: He gives to the Finns, for example, the largest measure of self-government consistent, in his opinion, with their welfare and the duties of the Central Government. In pursuance of this principle he has annulled the constitutional rights which the Grand Duchy of Finland had enjoyed for over ninety years, and who can question but that he believes this to be the largest measure of self-government consistent with the welfare of the Finns and the duties of the Russian Government? King George III. stood upon the McKinley platform. He was by law the sovereign of the American colonists, and he exercised his discretion as to the amount of self-government which his subjects should have. Why should they have objected? Why should the Filipinos object to the McKinley policy? Simply because it is the policy of "government of the many by the few"—government by force.

D. PROFESSOR'S REPORT ON HOW TO GOVERN COLONIES.

For eighteen months the United States government has been holding subjects. About a year ago the professors of economics in the universities, through their organization, known as the American Economic Association, appointed "The Committee on Colonies to secure information regarding the fiscal methods and economic conditions of typical modern colonies, and to endeavor, on the basis of this information, to suggest tentatively some general principles which MIGHT BE APPLICABLE TO THE GOVERNMENT OF THE NEW DEPENDENCIES OF THE UNITED STATES."

This "Committee on Colonies" reported during August of this year. It is a volume of 302 pages, consisting of a description of "The French Colonial System," "The German Colonial Fiscal System," "The Dutch Colonial Fiscal System," "Italy's Experiments with Colonies," "Spanish Colonial Policy," "The Danish Colonial Fiscal System to the West Indies," "The Finances of British Possessions in South Africa," "The English Colonial Fiscal System in the Far East," and a "Report of the Committee on Colonies." This report is as follows:

"As a result of this study [of the above mentioned systems for holding subject races] the committee ventures to offer the following general suggestions, *some of which are applicable to the United States*:

SUBJECT RACE.

"First.—The finances of each colony should be managed exclusively for the sake of the colony [?] and for its development [compare the sixth recommendation], and not for the advantage of the mother country [the conqueror].

Second.—No uniform system of detailed fiscal management for a number of colonies in different parts of the world can be established. Each colony [subject race] must be considered by itself and its system must be adapted to its conditions.

Third.—Each colony [subject race] should, as far as possible, be made self-supporting; but the mother [?] country may well sustain the colony's credit or make advances to be repaid at a later date.

Fourth.—In undeveloped colonies [subject races] whose inhabitants are not capable of managing important public works such as railways, canals, telegraph systems, etc., these improvements may well be owned by the government and managed by government officials rather than by private companies.

Fifth.—The selection of sources of revenue must in each case be determined in accordance with the economic and social conditions of the colony [the subject race].

Sixth.—Where the colony [subject race] is so situated that THE DEVELOPMENT OF TRADE WITH FOREIGN COUNTRIES IS THE CHIEF ECONOMIC CONSIDERATION, import duties should be very low or practically non-existent [This should be specially noted by all who believe that the needs of a new country are such as to require a protective tariff].

* * *

Twelfth. — In those dependencies where it is difficult to secure an adequate supply of efficient native labor, the question of the admission of foreign laborers should be seriously considered. While there *may* be sufficient justification for the exclusion of Chinese workmen from the United States, IT BY NO MEANS FOLLOWS THAT THEY [the Chinese] SHOULD BE EXCLUDED FROM THE PHILIPPINES.

E. FURTHER STATEMENTS BY PARTY LEADERS.

1. Senator Beveridge.

In a speech at the Chicago Auditorium Sept. 25, 1900, Senator Beveridge made the following statement of principles:

History establishes these propositions:

1. Every people who have become great have become colonizers or administrators [i. e., conquerors and holders of alien races as subjects];

2. Through this colonization and administration their material and political greatness develops;

3. Their decline is coincident with their abandonment of their policy of possession and administration [ANSWER: In this statement "the cart is before the horse." It is the policy of conquest that causes the decline; see page 197 below] or departure from the true principles thereof.

And as a corrolary to these propositions is this self-evident and contemporaneous truth:

Every progressive nation of Europe today is seeking lands to colonize and governments to administer [i. e., is enslaving the weaker nations].

And can this common instinct of the most progressive [?] peoples of the world—this common conclusion of the ablest statesmen of other nations [i. e., the statesmen who have claimed for a century that Self-Government and a Republic were wrong]—be baseless?

2. Roosevelt's Statements as to Government by Force and the Holding of Subjects.

In Gov. Roosevelt's "keynote" speech at St. Paul, in July, he dealt quite fully with the doctrine of Foreign Conquest. After speaking of "our out-lying possessions," he presented an argument intended to justify the holding of the people and their property by the United States Government *against their will*, claiming that it would ultimately bring peace and promote civilization. As an illustration to prove this he cited the French conquest of Algiers, and added:

"But lasting peace, the first for many centuries, came to Algiers through the French conquest as it will come to the Philippines *through our refusal to abandon the islands.*"

Continuing, he said:

"So Russia *has advanced over Turkestan* and brought peace in her train. So it is a good thing for Germany to begin to play her part abroad." (Note that here are words of praise for Russian conquest in Turkestan, and for German conquest throughout the world.) Roosevelt also said: "Now that we have expanded [over the red men who used to inhabit the United States], peace has come, exactly as peace has been brought to Algiers, to Turkestan, and the Soudan, by the great peoples of Europe [the great *Empires* in Europe]."

"Every such instance of expansion has been an immeasurable benefit to all mankind." (Observe that "expansion" is here used as synonymous with "conquest.") He further said: "Expansion [conquest] means in the end not war, but peace. But, like every other great good, it can be achieved only by effort at the outset [i. e., by wars of conquest at the outset]. Woe to us if we shrink from such effort [if we shrink from wars of conquest]. * * * We must strive with earnest good faith to secure the steady betterment of the population OVER WHICH WE HAVE ASSUMED CONTROL."

In another place in his speech he quoted the Democratic policy as to the Philippines, namely:

"First, a suitable government; second, independence, and third, protection from outside interference," and later on added: "*A more wicked absurdity than the Kansas City proposition of dealing with the Philippines was never enunciated by the representatives of a political party.*"

This shows that there is no question about the determination of the Administration to hold the people of the Philippines *as subjects.* And Roosevelt and his fellow leaders are earnestly advocating that we go on and conquer such other people as we can.

Further Conquests Openly Advocated.

This is shown in the illustrations above given of how the conquering of weaker races has brought peace, as he terms it; and it is also claimed that this conquest has assisted civilization. To use his exact words, "Every such instance of expansion [i.e., conquest of Algiers, Turkestan, etc.] *has been of immeasurable benefit* to all mankind." This idea is emphasized in several portions of Roosevelt's speech. In one place he declared, "We must manfully do our part *in the world's work* [i. e., the conquest of weaker nations] THAT MUST BE DONE BY ALL GREAT NATIONS [great empires]."

Thus is conquest openly advocated by the nominee for the Vice-Presidency. And this is not the first time he has done so. Two and a half years ago, while Assistant Secretary of the Navy, and when war had just opened with Spain, he published two books in which he expressed his opinion on this matter of conquest. In his Life of Thomas H. Benton, published 1898, he says:

Earlier Expressions of Opinion by Roosevelt.

"Mexico lost her northern provinces [to the United States] by no law of right, but simply by the law of the longest sword—the same law that gave India to England. *In both instances the result was* GREATLY TO THE BENEFIT OF THE CONQUERED PEOPLES AND OF EVERYONE ELSE." (Page 231.)

Here is the statement, made more than two years ago, and put forth in a published volume, that the conquest of India has been a benefit to the people of India and to the world. And he further states that the acquisition of Mexican territory by the United States, by conquest, was a benefit to everyone. But Gen. Grant, in his carefully prepared Memoirs, while under the shadow of death, declared:

"The Southern rebellion [the great Civil War, with a loss of over 700,000 lives] *was largely the outgrowth of the Mexican War* [because it increased the slave-power]. *Nations, like individuals, are punished for their transgressions.*"

Roosevelt's idea is that *the stronger nations should conquer the weaker*, and that the result will be a benefit to all mankind. He states this clearly in his Life of Thomas H. Benton. In speaking of the boundary troubles between United States, Mexico and Great Britain, he declares:

"The matter was *sure to be decided in favor of the strongest;* but say what we will about the justice and right of the various claims, the honest truth is that the comparative might of the different nations, and not the comparative righteousness of their several causes, was the determining factor in the settlement. * * * Yet the arrogant attitude he [Benton] assumed was more than justified by the destiny of the great republic; and it would have been well for all America *if we had insisted even more than we did upon the extension northward of our boundaries.* Not only the Columbia, but also the Red River of the North—and the Saskatchewan and Frazer as well—should lie wholly within our limits. * * * Of course, no one would wish to see these, or any other settled communities, now added to our domain *by force; we want no unwilling citizens to enter our union;* the time to have taken the lands was before settlers came into them. EUROPEAN NATIONS WAR FOR THE POSSESSION OF THICKLY SETTLED DISTRICTS, WHICH, IF CONQUERED, will for centuries remain alien and hostile to the conqueror; we, wiser in our generation, have seized the waste solitudes that lay near us and have thrust our own sons into them to take possession; and a score of years after each conquest we see the conquered land teeming with a people that is one with ourselves." (Page 236.)

"Wars are, of course, as a rule, to be avoided; but they are far better than certain kinds of peace. Every war in which we have been engaged, except the one with Mexico, has been justifiable in its origin, and each one, without any exception whatever, HAS LEFT US BETTER OFF, taking both moral and material considerations into account, THAN WE SHOULD HAVE BEEN IF WE HAD NOT WAGED IT." (Page 256.)

In the foregoing, Roosevelt's instinct for conquest is clearly set forth.* He stated, however, at the time he wrote this, that "We want no unwilling citizens to enter our union"; while now he is advocating from the stump the holding of unwilling subjects. In the St. Paul speech, above quoted, he ardently invites the voters of this Republic to dismantle it and join the empires of

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* **Roosevelt on Quakers.**

Further proof of Roosevelt's tendency to warfare is set forth in his biography of Thomas H. Benton. At page 37, after describing the ruffianism and lawlessness prevalent in Missouri at an early day, he says:

"But, after all, this ruffianism was really *not a whit worse in its effects on the national character than was the case with certian of the 'universal peace' and 'non-resistance' developments in the northwestern states;* IN FACT IT WAS MORE HEALTHY. A class of professional non-combatants is as hurtful to the real, healthy growth of a nation as is a class of fire-eaters, for a weakness or folly is nationally as bad as vice or worse; *and in the long run a 'Quaker' may be quite as undesirable a citizen as is a duelist.* No man who is not willing to bear arms and fight for his rights can give a good reason why he should be entitled to the privilege of living in a free community."

the Old World in their policy—a policy which includes the conquest of thickly settled districts. He said:

"We must manfully do our part in the world's work that must be done by all great nations [great empires]."

Again he said: "If the people of the United States do not support us it would mean the immeasurable disgrace of abandoning the proud position we have taken [in the Philippines] of flinching from the great work we have begun."

In concluding his speech, he said:

F. THE PARAMOUNT ISSUE:

1. EMPIRE VERSUS REPUBLIC.

"This election is more important than any that this country has seen, save only the election of 1864, and we have the right to appeal to every man worthy to call himself a good citizen that he shall stand by us in this contest for upright and honest legislation and administration at home and abroad, for the upholding of the flag [*i. e., the retention of the Philippines*] and the great privilege of doing the world's work as above outlined [*i. e., the conquest of weaker nations*] as becomes a great world power [a great empire]. * * * WE APPEAL TO ALL GOOD MEN THAT WE DO NOT ABANDON THE POSITION WE HAVE TAKEN IN THE FOREFRONT OF THE GREAT NATIONS OF THE EARTH [THE POSITION WE HAVE TAKEN IN THE FOREFRONT OF THE GREAT EMPIRES OF THE EARTH].

These were his concluding words. *It shows that Roosevelt considers the question of "Republic or Empire" as the paramount question.*

And such is the opinion of President McKinley. See his speech of acceptance, page 141, above; and a like policy is set forth in the speech of the Chairman of the Notification Committee; page 141, above.

To show more clearly that Roosevelt and his colleagues are in favor of the rule of the few, and therefore against self-government, the following facts are of great importance:

2. THE RULE OF FEW VERSUS SELF-GOVERNMENT.

Theodore Roosevelt, in his Life of Thomas H. Benton, an edition of which bears date 1898, Washington, D. C., at the time he was Assistant Secretary of the Navy, displays the following Ideal. In his chapter treating on the election of Jackson, Mr. Roosevelt says:

"The Jacksonian Democracy, its leaders as well as followers, all came from the mass of the people. The majority of the voters supported Jackson because they felt he was one of themselves and *because they understood that his election would mean the complete overthrow of the classes in power and their retirement from the control of the Government.* THERE WAS NOTHING TO BE SAID AGAINST THE RULERS OF THE DAY; they had served the country and all its citizens well, and they were dismissed. * * * That the change was *the deliberate choice of the people, and that* IT WAS ONE FOR THE WORSE, was then, and has been ever since, the opinion of most *thinking men.*" (Page 66.)

This statement shows clearly where Roosevelt stands. He is against government by the masses of the people, and he stands for government by the few. He would continue the present government by the few instead of going forward toward equal rights in government and in industry. He objects to "government of the people, by the people, and for the people," and he invites the American voters not only to turn their backs on this principle, but to go further, and hold the people of the Philippines and of Porto Rico as subjects, and then to reach out for more subjects. This he terms "Doing the world's work." He would have us become an Empire — a government in which the few shall rule.

PART V.

The Reason Advanced for Policy of Empire.

The theory advanced by Roosevelt and others who advocate the conquest of the weaker nations and the holding of subjects is, IT PROMOTES CIVILIZATION.

This claim we shall consider in Part VI, first as to the effects at home, and then as to the effect on the people held as subjects.

PART VI.

Fallacies in the Theory that Empire Promotes Civilization.

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A. CITIZEN AND SUBJECT DISTINGUISHED.

In an opening section of this treatise there is set forth the difference between a citizen and a subject. A citizen is *part* of the sovereign power *and stands on an equality with his fellow sovereigns.* In other words, the sovereign power is *in the people* INSTEAD OF IN THE FEW, as in Russia, Germany, and Italy. In an Empire the sovereign power *is in one portion of the territory* AND IT GOVERNS THE OTHER PORTIONS; for example, India is governed by England.

From the foregoing it clearly appears that *where the people are the sovereign power* THERE CAN BE NO SUBJECTS, and where there are subjects the sovereignty is *not in the people* but in only a portion of them. In other words, the United States is a Republic because the sovereignty *is in the people,* and Great Britain is an Empire because the sovereignty is *not* in all the people but only in those who live in a part of the United Kingdom. It follows that if the people of the United States—the sovereign power—vote to hold the people of Porto Rico and the Philippines *as subjects* THEY DESTROY THE REPUBLIC AND ESTABLISH AN EMPIRE.

To get the full meaning of this it must be examined in detail:

B. THE MEANING OF "HOLDING SUBJECTS."

1. Nullification of Doctrine of Equal Rights in the Governing Power.

a. STATEMENT.

As just set forth, if the people of the United States vote to hold subjects, *they discard the doctrine of equal rights in the governing power* and substitute the doctrine of *un*equal rights in the governing power. The full meaning of this appears when the rise in civilization is historically considered.

b. HISTORICAL RISE OF DOCTRINE OF EQUAL RIGHTS.

Everyone knows that a few centuries ago the masses of the people were held in feudal bondage and that *the evolution of society has resulted in the American citizenship of today*—the doctrine of equal rights in the governing power.

The history of our own country since the Revolution of our forefathers is equally instructive. *The Declaration of Independence announced the doctrine of* EQUAL RIGHTS IN THE GOVERNING POWER, but when the Constitution of the United States was adopted in 1787 this doctrine *was not literally applied.* Chattel Slavery was continued in a considerable number of the States, and in nearly all of them there was a Property Qualification for voting. Thus there was a failure to recognize the doctrine of equal rights in the governing power.

But gradually the laws of the country have changed and the basis of Property as a qualification for the exercise of sovereign power *has been discarded.* Today there is scarcely a State in the Union where a property qualification remains. This reform was accomplished before the emancipation of the chattel slaves. *In short, there has been a gradual expansion of the doctrine of equal rights in the governing power.*

Further evidence of this is the development of nominations by the people. In the early days under the Constitution the nominations for office were made *by the few instead of the many,* and it was not until Jackson's time that a National Convention was held. Until that time the National policies were framed by the few.

And since Jackson's time there has been *a gradual development of the nominating system and of the system of elections.* The secret ballot is a modern improvement; as likewise are the holding of primaries under regulations provided by law.

(3) Existing Situation Described.

In view of the foregoing development of the doctrine of equal rights in the governing power, will the voters of the United States knowingly change the direction of the movement? *Will they, now that the sovereign power is in their hands, commit suicide by voting that this doctrine shall be done away with? Will they vote for the doctrine of* UNEQUAL *rights in the governing power?* By doing so they will overthrow the Republic of the United States *and make it an Empire.*

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* **Warning by Lincoln.**

In his first annual message to Congress, Lincoln, after pointing out the development of autocratic power, said:

"Monarchy itself is sometimes hinted at as a possible refuge from the power of the people. In my present position I could scarcely be justified were I not to raise a warning voice against this approach of returning despotism. * * * *It is an effort to place capital on an equal footing with, if not above, labor in the structure of government.* No men living are more worthy to be trusted than those who toil up from poverty. None are less inclined to take or touch aught which they do not honestly earn. LET THEM BEWARE NOT TO SURRENDER A POLITICAL POWER WHICH THEY ALREADY POSSESS AND WHICH, IF SURRENDERED, WILL SURELY BE USED TO CLOSE THE DOOR OF ADVANCEMENT AGAINST SUCH AS THEY, AND TO FIX NEW DISABILITIES AND BURDENS UPON THEM TILL ALL OF LIBERTY SHALL BE LOST."

Mr. Bryan quoted the above in his

THIS WOULD MEAN THAT THE DOCTRINE CONTAINED IN THE DECLARATION OF INDEPENDENCE IS SPURNED and in its place is taken the Old World doctrine of those who for more than a century have been sneering at our Republic, and sneering at Washington, Jefferson, Jackson, and Lincoln. The crowned heads of Europe and their henchmen are chuckling over the Administration's holding of subjects and praying that it may be endorsed at the polls. THIS WOULD INSURE A CONTINUANCE OF ROYALTY, while if the doctrine of equal rights is reaffirmed by the people—if the trend of events is toward government by the people—it means the ultimate overthrow of royalty in Europe.

Furthermore, if the people vote to hold subjects, IT ALTERS THE CONSTITUTION OF THE UNITED STATES, AND DOES SO IN AN IRREGULAR MANNER. That instrument provides that to alter it there shall be certain action by the Senate and House of Representatives, and the concurrent action of the people in two-thirds of the States. That a law of Congress to hold subjects is unconstitutional is demonstrated by the fact that the Constitution guarantees to each State "a *Republican* form of government." If the law of April 12th, holding subjects, is ratified at the polls our Republican form of government is changed to that of an Empire, namely, a government wherein the sovereign power is no longer in the people but only in those who live in the several States and Territories. The people in the Dependencies ("Possessions," or "Provinces," if you prefer) will be governed by the sovereign power in another portion of the country.

Labor Day speech at Chicago, Sept. 3, 1900, and continued:

The Present Conditions.

"The warning is even more needed now than it was forty years ago. The *Army and Navy Journal is already justifying the colonial idea,* AND DECLARING THAT FATE HAS DECREED FOR US A DESTINY IN WHICH AN IMPERIAL EXECUTIVE, FREE FROM THE RESTRAINTS OF A WRITTEN CONSTITUTION, WILL GOVERN SUBJECTS ACCORDING TO HIS OWN PLEASURE. The *United States Investor,* published at Boston, in its issue of July 28 says:

" 'Only a blind person can fail to see that *remarkable transformations of one kind or another are in store for the race;* hence the folly of asserting that the policy of this country, which is destined to play such a leading part in human affairs of the future, shall be governed for the most part by political maxims uttered more than a hundred years ago. The greatest evil which now confronts this Republic is the clamor raised by a certain faction for a settlement of our problems of state by just such method as we have been depreciating. Considerably more than a century ago a certain notable Declaration was made in this country to the effect that all men ought to be free and independent. This is merely a generalization of the French school of Voltaire and the encyclopedists. *It is a dictum absolutely lacking foundation in history and incapable of syllogistic justification.* It was, however, a handy phrase for us to employ when asserting our right to break away from the mother country; it suited the exigencies of our situation in 1776 admirably, though in itself but a bit of sublimated demagogism. The Declaration was a serviceable means to the end that was at that time desired. To bring forward this Declaration in this year 1900, in connection with our treatment of the Filipinos and the Cubans, is as gross an absurdity as ever was practiced. To do so is to offer an insult to the intelligence of the people who first subscribed to the Declaration in question.'

How the Porto Ricans are Governed.

"But why quote from newspapers as to what may be done hereafter in the presence of a law already enacted which makes subjects out of Porto Ricans, withdraws from them the guarantees of the Constitution, and asserts the power of the President and Congress to govern them without their consent and tax them without representation—a power as unlimited and tyrannical as man ever asserted or exercised by any ruler in all the history of the human race. This doctrine has not yet been approved by the people; it furnishes the supreme question of the present campaign."

Furthermore, to vote to hold subjects, LEGALIZES THE EXISTING ORDER OF THINGS, namely, that the basis of government *is not manhood*, but something else; and that something else is that "MIGHT MAKES RIGHT";—the doctrine of the consent of the governed is "turned down" and the result is that the old doctrine of force is put in its place. An example of this doctrine of force—that "might makes right"—is Private Monopolies. Today they are in full swing, and if the policy of holding foreign subjects is adopted there accompanies it A CONTINUED LEASE OF POWER TO THE PRIVATE MONOPOLIES. They have 76,000,000 subjects in the United States. By monopoly prices they compel every one to contribute part of his earnings. In other words, the adoption by our voters of the doctrine that "might makes right," will not only smite the people in Porto Rico and the Philippines, but it will strike just as hard here.

The fact that Private Monopoly is present in so many industries, and is due to the power of the few in the government, demonstrates that *the doctrine of equal rights in the governing power is at present* ONLY AN IDEAL *in the minds of the people—it has ceased to exist in the Government;* and if, in the coming election, the people *turn from this ideal,* IT WILL SHOW THAT CIVILIZATION HAS RETROGRADED.

BUT I DO NOT BELIEVE THAT THE PEOPLE ARE GOING TO TURN THEIR BACKS ON THE IDEAL OF EQUAL RIGHTS IN THE GOVERNING POWER. I believe that it was never more strong in their minds than at present, and that, therefore, the crisis will be favorably passed in November.

History of Crises.

We have successfully passed other crises; for example, when Jefferson was elected in 1800. When Jackson was elected the people's ideals were further embodied in the government, although at that time the power of the few was not so threatening as in Jefferson's time. Later, under the leadership of Lincoln, a third wave of popular rights secured control of the Federal government. But the ever-present and ever-pressing power of special privilege and centralized wealth has exerted its pressure until a fourth great revolution became manifest in 1896. *It gained control of the organization of a great political party,* BUT DID NOT GAIN CONTROL OF THE GOVERNMENT. The plutocratic power, based on legal privilege, has continued its control of the government for four more years, and the results are being felt by more and more of our people, *and the excesses of the party in power are so flagrantly in violation of the people's ideals that* THERE CAN BE NO QUESTION AS TO THE ULTIMATE OUTCOME UNDER THE PREVAILING FREEDOM OF SPEECH AND OF THE PRESS.

2. Nullification of Doctrine of Equal Rights Before the Law.

A second result of holding subjects, is nullification of the doctrine of equal rights before the law. History shows that wherever there is a denial of the doctrine of equality in the governing power *there is a denial of equal rights in the laws which it enacts.* The following are examples: The laws of the Administration have refused equal rights to the people of Porto Rico. Their products are denied free access to our shores, whereas between the several States of the Union there are no tariff duties.

And there are worse inequalities: The people of Porto Rico are not permitted to control the education of their children, but it is controlled by the men who hold the people of Porto Rico as subjects. It would not do to hold subjects and permit their children to become imbued with the principles of equal rights — the doctrine proclaimed in the Declaration of Independence,

and in the written words of the American Constitution.

Nor are the people of Porto Rico permitted to control the monopolies, such as water works, gas works, banks, railroads, telegraphs, etc. All these are controlled by the men who hold them as subjects.

And at home there will be a continuance of the unequal rights before the law; such as the denial of trial by jury to those who belong to labor unions. In other words, there will be a continuation of government by injunction. And there will also be continued as to wage earners the "permit system"—the system of blacklist, whereby the men who are not subservient to the monopoly employers are refused employment in their vocation. These inequalities actually exist and will be further legalized if the people vote to hold subjects and thereby abrogate the doctrine of equal rights before the law.

And all the citizens who are not monopolists are at present denied equal rights before the law, *for private monopolies* EXIST. This is a fact which no one can successfully deny. In other words, PRACTICALLY ALL THE PEOPLE ARE NOW DENIED EQUALITY BEFORE THE LAW. If they continue the Administration, that is, if they vote that the government shall hold subjects in Porto Rico and the Philippines, they will also continue their own bondage to the trusts. Lincoln was right: They who deny freedom to others shall not receive it themselves—such is the law of God. Equal rights is the basic principle of progress.

3. Doctrine of Government by Force in Place of Self-Government.

The meaning of "holding subjects" can also be considered from the standpoint of Government by Force instead of Self-Government. In the words of Mr. Bryan, delivered at Morgan's Grove, W. Va., Sept. 5, 1900:

"During all the years of recorded history men have asserted and demanded but two theories of government. One is that government comes from the people; the other is governments rest upon force. For more than a century the doctrine of self-government has been growing. More than a century ago the doctrine of self-government was planted on American soil and during the century the doctrine has grown and grown, and it has given the world a lesson in the omnipotence of the truth.

"What makes this nation great is the idea that has developed it. The doctrine of self-government has grown until today in every land you will find they are hoping for a realization in their lands of that we have seen. During all this century the pendulum has been swinging toward liberty, and now, at the close of the century, shall we turn it back and start it again toward the Dark Ages? If this nation rejects the idea that governments derive their just powers from the consent of the governed, then civilization starts backward toward the Dark Ages."

Let us next consider the effect of empire on the subjects themselves.

4. Laws Are Made by Foreigners.

a. STATEMENT.

Where the laws of one country are enacted by people living in another country, the result is that *the lawmakers endeavor to benefit themselves.* THIS INJURES THOSE FROM WHOM THE BENEFITS ARE TAKEN—THE SUBJECTS. For example, the Administration, in its law of April 12, 1900, governing the people of Porto Rico, provides that "all grants of franchises, rights and privileges, or cessions of a public or quasi-public nature *shall be made by the executive council, with the approval of the Governor* [ALL OF WHOM ARE APPOINTED BY THE PRESIDENT OF THE UNITED STATES], and all franchises granted in Porto Rico shall be reported to Congress, which hereby reserves the power to annul or modify the same."

Thus are the people of Porto Rico bound hand and foot and turned over to the franchise sharks—the monopolists. The monopolists living in New York and the other large cities of the United States are, under this law, to own and operate all the monopolies in Porto Rico. The people are not even permitted to control the education of their children. And, as we shall see later, a recent report of the Governor of Porto Rico recommends that the people be kept in ignorance.

Furthermore, it is known to all the people of the United States that when Congress framed the tariff law for the people of Porto Rico *the trusts in this country dictated what the tariff should be.* The President had stated in his Annual Message that our "plain duty" to the people of Porto Rico required equal treatment with the United States, yet before the close of Congress he signed a bill which the trusts had framed, and, with his assistance, passed through Congress.

And in the Philippines a war is being conducted, and *the reason assigned for it is that it will result in an increase of trade* FOR THE PEOPLE OF THE UNITED STATES. It is an unquestioned fact that the governing power in a country *aims to benefit itself.*

In the words of Chairman Lodge, of the McKinley Republican Convention, at Philadelphia:

"We make no hypocritical pretenses of being interested in the Philippines solely on account of others. While we regard the welfare of these people as a sacred trust, *we regard the welfare of the American people* FIRST."

And this, we reply, is the reason why the laws in the Philippines should be made by the people who reside therein. We should promise independence to the people of the Philippines, and assist them in establishing it, just as we are doing in Cuba, that they may make their own laws, and thereby receive greater prosperity than will be the case if the laws are made by people residing in another country. The dominant power in the Philippines will know what is best for itself.

b. REPLY: "OF COURSE WE BENEFIT OURSELVES"--IT IS RIGHT, BECAUSE WE ARE THE STRONGER.

The man who is advocating the policy of holding subjects is forced to admit that in making the laws for these subjects *he does look out for himself*, and he usually points to the fact that there is a "struggle for existence," *and, therefore, it is* RIGHT for the stronger nation to get what it can and keep it.

The answer is that this is a misstatement of God's law of social development. If the law were as stated why is not the pirate applauded instead of shot? The point is this:

C. THE FALLACY EXPOSED: UNFAIR COMPETITION IS BARRED BY

(1) International Law.

The struggle for existence between individuals, and also between nations, takes place under rules of competition usually termed "laws," or "customs." The character of these determines the height of civilization. In other words, "civilization" implies *that certain forms of competition are barred out*—for example, the looting of weaker nations is barred, provided they have stable governments. Such is the law of nations—international law. But this restriction is evaded by the Old World empires.

(2) Doctrine of Republics.

Republics, however, go beyond the above named law of nations, and recognize that *all people*, whether capable of establishing a stable government or not, *are entitled to self-government*, and, therefore, should not be held as subjects—should not be governed by someone else. Each Indian nation in the United States has self-government.

Furthermore, under the Monroe Doc-

trine the Old World Robbers are, as to the Republics of the New World, *prohibited from making war upon them* (for particulars see page 140, above). This has preserved them as self-governing nations. Under this system the Competition Between Races is as follows:

(3) The Monroe Doctrine.

To the extent that immigration has been permitted by the Republics the rights of the immigrants have been protected by their several governments. In this way the Englishman, the German, and the American, with their intelligence and capital have gone into the Republics of Mexico, Central America, and South America, and have helped to develop the country, at the same time *the laws of each country into which they have gone are made by the people residing within such territory.* This has insured that the laws have been in the interest of the dominant power in each republic, and IT HAS GIVEN THE IMMIGRANTS FROM THE UNITED STATES, ENGLAND, AND GERMANY, POWER IN THE FORMING OF THESE LAWS—power which they would not have had were the laws enacted in the United States, in England, or in Germany, or by the representatives of these powers. In other words, had the European countries made the laws for the American provinces, *the aim would have been to benefit those residing in Europe,* and AT THE EXPENSE OF THEIR OWN FLESH AND BLOOD IN THE PROVINCES.

For this reason, the thirteen colonies put forth the Declaration of Independence, and left the mother country.

d. SUMMARY: HOME RULE IS BEST.

The principle of social progress, then, which we discover upon an examination of history, is that the greatest progress in civilization is where a people have home rule instead of government by a people residing in another country.

In other words, the government of weaker nations by the stronger is detrimental to the people who are held as subjects. Wherever one people have been governed by another people residing in a different country it has been bad for the people thus governed. The loss of home rule has been bad for the people of Ireland, Poland, and Finland, while home rule has been beneficial to the people of Switzerland, Holland, Belgium, Denmark, Sweden, and Norway, and has also been beneficial to the Republics of the New World.

e. CONTRA: THE McKINLEY REPUBLICAN DOCTRINE.

The opposite theory is, that for the weaker countries the loss of independence (loss of home rule) is better for social progress. In the words of the McKinley Campaign Text Book:

"Colonization or *control* [*government by force*] of a comparatively unorganized and badly governed country by an experienced and intelligent country and government, RESULTS ADVANTAGEOUSLY TO THE PEOPLE SO GOVERNED." (Page 134.)

This advocacy of government by force is by the men who have gained control of the organization that bears the name Republican, but this new doctrine *is the exact opposite of that for which the Republican party has heretofore stood.* For example, under Benjamin Harrison's Administration, Secretary of State Blaine was instrumental in bringing together representatives of all the American Republics. In delivering the address of welcome he said, among other things:

f. BLAINE'S ATTITUDE: SPIRIT OF CONQUEST NOT TOLERATED.

"The delegates can show to the world an honorable, peaceful conference of eighteen independent American powers, * * * A conference which will tolerate no spirit of conquest, but will aim to cultivate an American sympathy as

broad as both continents. * * * It will be a great gain when we shall acquire that common confidence on which all international friendship must rest."

Later, Mr. Blaine was President of the Conference, and on the floor brought in a resolution which declared:

"*Resolved*, That the principle of conquest shall not, during the treaty of arbitration, be recognized as admissible under American public law."

g. PAN-AMERICAN CONGRESS: "CONQUEST NOT ADMISSIBLE."

This was unanimously adopted. Previous to this the United States presented the statement that:

"In the opinion of this conference, wars waged in the spirit of aggression or for the purpose of conquest *should receive the condemnation of the civilized world.*"

But today how hath the leadership of the Republican party changed! Hanna, McKinley and the trusts are advocating the principles of conquest—holding of subjects—government by force.

Their campaign book for the instruction of their speakers declares that "Colonization or control [government by force] of a comparatively unorganized and badly governed country by an intelligent and experienced country and government, results advantageously to the people so governed." (Page 134.) And their national platform stands for the same principle. (See page 144 above.)

Compare this doctrine with Lincoln's declarations and with the Republican platforms of 1860 and 1856, which marked the inauguration of the party in national affairs. In these platforms the basic principle set forth is, that government by force is tyranny. Lincoln stood for this principle, declaring that "No man is good enough to govern another," and "those who deny freedom to others deserve it not for themselves, and under a just God cannot long retain it." At Gettysburg, over the graves of the soldiers who had given their lives for human liberty, hear him say:

"*It is for us, the living, to be here dedicated to the great task remaining before us, that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain;* THAT THIS NATION, UNDER GOD, SHALL HAVE A NEW BIRTH OF FREEDOM, AND THAT GOVERNMENT OF THE PEOPLE, BY THE PEOPLE, AND FOR THE PEOPLE SHALL NOT PERISH FROM THE EARTH."

5. The Holding of Subjects is Not Profitable.

The qualities which have spread civilization in foreign lands and secured wealth to the advanced people have been intelligence, energy and sympathy for fellow-men—love of justice. Our trade with the countries of Central and South America has been extended through the justice of the Monroe Doctrine—i. e., the protection of the weak by the strong—by the fair dealings of our nation in other ways, and by the intelligence, energy and sympathy of our people.

And the countries of Europe, in so far as they have adopted the same policy, have profited tremendously. A protectorate in the Malay States has demonstrated that this system is far more profitable to the people of England than is the one of holding subjects, *which has always instituted an inferior order of progress.* In contradistinction to the people of India under British rule, the Japanese, under home rule, are adopting civilizing influences with astonishing rapidity, while attaining many higher qualities not possessed by other peoples. All this is benefiting the entire human race. For the strong people to blot out the expression of the Japanese through their law-making body would be for the strong to rob the world of high qualities, *some of which we shall assimilate.* Perfection is many-sided, and therefore needs the example of all the higher

races under the varied conditions of soil and climate.

Such are the principles which history demonstrates. Many facts which prove this are before our eyes. For example, our trade with the Philippine Islands has been much less during the past year than it would have been had we assisted them to an independent government. Then they would have been partial to us instead of bitterly hostile, and they would have been much more able to buy had we not kept them under arms, thus preventing their raising crops whereby to make purchases.

Furthermore, our expenditures for conquest are not compensated, except in the granting of monopoly privileges, for *the tariff is such that England, Spain and other nations* TRADE ON AN EQUAL FOOTING WITH US. WE HAVE SIMPLY DESTROYED THE RESOURCES OF THE COUNTRY AND GAINED THE ENMITY OF THE PEOPLE.

See also note at page 161, below.

Further proof that the holding of the Philippines is unprofitable to us is the cost in American lives, suffering and taxation, not to speak of the diverting of public attention from domestic problems, which is one of the things the Administration is aiming at. It is trying to keep the people from legislating against the trusts.

Still further proofs in the preceding chapters demonstrate that from a commercial standpoint the holding of subjects is not profitable. Right here, it is well to observe that the universe is so constituted that whatever is morally right for a nation will result in the highest degree of commercial prosperity. This does not necessarily mean that "the highest degree of commercial prosperity" is an unusually large amount of stored-up wealth, for unless the national product be equitably distributed it is a curse instead of a blessing.

6. The Machinery of Government Must be Changed From That of a Republic.

From the foregoing it is shown that the holding of subjects is a nullification of equal rights in the sovereign power, and, furthermore, that it is not profitable as a commercial venture. We next point out that the governmental machinery of a republic is not suited to the holding of a people by force, and therefore that the form must be changed when the object of the government changes. This is recognized by everyone who has made a study of legislation and administration of law for distant subjects, including the retention of power over them.

Whitelaw Reid's Opinion.

Whitelaw Reid, one of the great leaders of the Republican party, a member of the Paris Treaty Commission and an unsuccessful candidate for the Vice-Presidency, has written on this subject. In the Anglo-Saxon Review for June of last year he says:

"The American Government has the new territories, and will hold and govern them. A republic such as the United States, has hitherto not been well adapted to that sort of work. Congress is apt to be slow, if not also changeable; and under the Constitution the method of government for territories must be prescribed by Congress. * * * No doubt executive action, in advance of Congress, might be satisfactory; but a President is apt to wait for Congress unless driven by irresistible necessities. *He can only take the initiative through some form of military government.* For this the War Department is not well organized. Possibly the easiest solution for the moment would be in *the organization of another department for war and government beyond the seas*, or the development of a *measurably independent bureau* for such work in the present department. Whatever is done, it would be unreasonable to expect unbroken success, or exemption from a learner's mistakes and discouragements."

Army and Navy Journal.

A similiar spirit of dissatisfaction with our methods and system of ad-

ministration as not adapted to that kind of operation indispensable to despotic government, is manifest in an editorial which appeared on Aug. 4 in the Army and Navy Journal, a publication which perhaps more nearly than any other reflects the class of opinions of the official and military circles where admiration for the English system is a ruling characteristic. Said the Journal:

"One million two hundred thousand dollars spent in London is the price of administrative order over a colonial rule whose total budgets aggregate $1,724,354,896, or 50 per cent more than our total of federal, state, county and village expenditure for every possible purpose, for which taxes are levied. In contrast to the results of this system of executive administration, the fact is cited that the American Congress has spent an entire winter wrestling with the tariff, the taxation, the administration and the personal rights of two little islands. *The English executive* IS AN IMPERIAL EXECUTIVE. The British Parliament is an English legislature. TO THE SAME SYSTEM WE ARE COMING BY THE DECREE OF CIRCUMSTANCES AS INEVITABLE AS THAT OF FATE. If this be imperialism, make the most of it. So far as citizenship is concerned, the British Empire is one, but BEYOND THE LIMITS OF THE UNITED KINGDOM THE CITIZEN LIVES UNDER A RULE ESSENTIALLY MONARCHIAL AND NOT RESTRICTED BY THE CONSTITUTIONAL LIMITATIONS OF THE PARLIAMENT SYSTEM.

The foregoing statement that we have been coming to this English system of "Imperial Executive," is all too true. The following are some of the facts:

Imperial Executive.

From the time the first shots were exchanged between our troops and the Filipinos the entire conduct of the war, and the government of the ten million people, eight thousand miles from Washington, have been entirely in the hands of President McKinley. This is certainly an Imperial Executive. A like amount of power in the hands of a President of the United States was unknown until the government entered upon its era of conquering foreign peoples.

In Porto Rico, where war has not existed, the conditions are equally bad. The entire control of local affairs is taken from the people and put into the hands of men appointed by the President of the United States. His appointments must be confirmed by the Senate, but that is a mere formality.

In the Sulu Islands the President, without the concurrence of the Senate, has entered into an agreement with a king and princes whereby the flag floats over them, and they are protected by our navy. Furthermore, chattel slavery and polygamy exist in these islands.

Not only this, but the administration adopted is patterned exactly after the British colonial system. Here is a sample of it:

SULU GOVERNMENT.

ART. 9. When crimes and offenses are committed by Moros against Moros, the Government of *the Sultan will bring to trial and punishment* the criminals and offenders, who will be delivered to the Government of the Sultan by the United States authorities if in their possession. *In all other cases* persons charged with crimes or offenses *will be delivered to the United States authorities* for trial and punishment.

* * * * * *

ART. 13. The United States will give *full protection to the Sultan and his subjects* in case any foreign nation should attempt to impose upon them.

ART. 14. The United States will not sell the Island of Sulu or any other island of the Sulu archipelago to any foreign nation *without the consent of the Sultan of Sulu.*

ART. 15. The United States Government will pay the following monthly salaries [bribes]:

To the Sultan	$250
To Dato Rajah Muda	75
To Dato Attik	60
To Dato Calbe	75
To Dato Joakanain	75
To Dato Puyo	60
To Dato Amir Haissin	60
To Habji Buter	50
To Habib Mura	40
To Serif Saguin	15

Signed in triplicate, in English and

Sulu, at Jolo, this 20th day of August, A. D. 1899 (13th Arakuil Akil, 1317).

THE SULTAN SULU.
DATO RAJAH MUDA.
DATO ATTIK.
DATO CALBE.
DATO JOAKANAIN.

Signed: J. C. BATES,
Brigadier-General, U. S. V.

No Constitutional Limitations—and the Trusts Are in Power.

In none of the Administration's "possessions" are there any constitutional limitations. And the sovereign power is in the Administration—the people of these "possessions" are subjects without a vestige of limitation upon the power of their owners, except that the treaty with Spain declares they shall have religious liberty. But if it were possible for the trusts to make any money by a breach of this agreement they would not hesitate. They are the most heartless masters that the world has ever seen. A one-man power feels the responsibilities—he has a conscience—but private monopoly corporations are the most heartless taskmasters in the world. It is they who have dictated the Porto Rican tariff in order to establish the principle. They also dictated the sections of the law whereby all the monopolies in Porto Rico, even to that of water supply, are in the hands of the trusts, as is also the education of the children. Verily, the height of Mammonism has been reached!

"Treason"—"Encouragement to Enemies."

The tremendous power of the Government over its subjects in Porto Rico and the Philippines has interfered most seriously with the fundamental doctrines of self-government at home. Some of these evils are pointed out in the preceding section. An evil not yet mentioned, however, is *the claim of the Administration that those who advocate the cessation of conquest*—the granting of independence to the Filipinos—ARE GUILTY OF TREASON TO THE GOVERNMENT, AND GIVE ENCOURAGEMENT TO THE SUBJECTS WHO ARE IN REBELLION. We reply, that this is one of the demonstrations that a government under "majority rule" is not fitted to hold subjects.

If the United States continues along the line of foreign conquest there will be stronger and still stronger pressure applied against those who dispute the Government's policy of holding nations by force.

Lincoln epitomized all this when he said:

7. Lincoln's Statement of the Moral Law.

"Our reliance (in the campaign for the doctrine of self-government) is in the love of liberty which God has planted in us; *our defense is in the spirit which prizes liberty as the heritage of all men; in all lands, everywhere.* THOSE WHO DENY FREEDOM TO OTHERS DESERVE IT NOT FOR THEMSELVES, AND UNDER A JUST GOD CANNOT LONG RETAIN IT."

The penalty for our war of conquest against Mexico was the Civil War; what it will be for our conquest of the Philippines time only can tell. It may be light, if our people vote for the Republic and thereby restore to the people of the Philippines that which the Administration is keeping from them, to wit, the right to make their own laws. But if our people vote to go forward on the path of empire it means that the private monopolies will be continued, and the few who thus control our industries will continue to control the government, except that the number in control will become smaller and smaller. Under such a system the standing army must be constantly enlarged, both for use at home and conquest abroad, and for "standing-off" the other great robber nations.

If we are to change our course and travel this road, it means that the tendency to militarism which has ex-

isted in Europe will continue to grow and will extend to the United States. This would mean a militarism for us greater than that which now staggers the Old World.

And this brings clearly to view:

8. The Two Great Tendencies That Are Striving for Mastery.

On the one hand is Centralized Wealth, striving for "Government by the Few"; on the other, the people, struggling for "Equal Rights." In other words, the monopolists, with their policy of foreign conquest and tyranny at home, are arrayed against the people, whom they oppress and who are endeavoring to re-establish the policy of equal rights for American citizens, and equal rights (home rule) for nations, states, cities and towns.

If the centralizing power should win and continue in the same direction there will result larger and still larger empires, until all the people of the globe will be the subjects of a single dominant centralized power; or else civilization will retrograde to where this will become impossible. On the other hand, if the people win the fight there will be a development of republicanism, or as more commonly termed, democracy, namely, the self-government of each community, with several communities agreeing with each other as to the rules of conduct which shall extend throughout their entire territory, and several of these territories (for example, the several States in the Union) agreeing with each other as to the more general rules of conduct (national laws), and all the people in all the nations combining upon universal rules (international laws), thus begirting the world with human laws mutually agreed upon and conforming to Nature's laws of progress.

This mutual marking out of the rules of conduct secures the maximum amount of freedom and happiness.

This is the republicanism of Lincoln, Grant, Blaine, Logan, Sumner, and of the entire Abolition Party and their descendants who abide by the principles of their fathers; it is the democracy of Washington, Jefferson, Jackson, and their followers; and it is the application of the Golden Rule—the Christ spirit of brotherhood: "He hath made of one blood all nations."

9. The Future Under a Republic.

If our Republic lives it will be in the hands of the lovers of liberty and justice. They will not only maintain the Monroe Doctrine, but extend it to the Republic of the Philippines, and will develop the idea of International Arbitration and Law Making, first with American Republics and then with the Old World. In this way there will be attained a stage where the growth of armies will stop, then retrograde, until they no longer exist. International law will reign between nations, instead of a bit of international law with military force as the principal element.

Within our great Republic, equal rights will more and more prevail. The present platform of the party of liberty declares not only for the annihilation of private monopoly but prescribes a way for effectually restraining it at all times. Among other things it provides for the direct election of United States Senators by the people; *but greater than this, and of untold importance, is the demand for the* PERMANENT TRANSFER OF THE LEGISLATIVE POWER FROM ELECTED RULERS TO THE PEOPLE. In other words, the Democratic platform declares for the Referendum and the initiative wherever practicable. Under the referendum the veto power over practically all the laws *is in the people*, and under the initiative *they can bring to a vote* the measures which a small proportion may desire to submit.

10. Republic or Empire?

A glorious future of self-government awaits the people if they choose to maintain the Republic, but if they turn their back on it and become an Empire the present centralization of industry and power will continue. We STAND AT THE PARTING OF THE WAYS. *Will the powers of centralization overthrow the Republic, or has the intelligence of the world developed to a stage where a higher order of life is to be put into operation?*

PART VII.

Further Proof That Empire Does Not Promote Civilization—History of Eighteen Months of Empire Under the McKinley Administration.

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A. GOVERNMENT OF THE PEOPLE OF PORTO RICO BY THE ADMINISTRATION.

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1. Outline.

By the law of April 12, 1900, the Administration set forth its policy toward the people of Porto Rico. THAT LAW, as is stated in an earlier chapter, PROVIDED THAT THE PEOPLE OF PORTO RICO SHOULD CONTINUE TO BE SUBJECTS OF THE UNITED STATES.

The law, therefore, in its details, provided that they should have *no representation in the Congress of the United*

Our Trade with the Philippines.

NOTE TO PAGE 157.

J. Laurence Laughlin, Ph.D., Head Professor of Economics at the Chicago University, is reported in the Chicago *Chronicle* of October 4, 1900, to have said to his students that,

"Increasing trade will not depend on our owning the Philippines. After we get them we must open the doors of trade to other nations on about the same conditions as we ourselves enjoy. Then to sell goods to the islanders we must make the prices as low as those of other nations. Our ability to compete with these other nations will depend upon the industrial conditions at home.

"The fact that the value of American exports has reached a sum never equaled before refutes the claim that we need foreign ports to sell goods. Whether America shall sell to the Filipinos much or little depends upon what the islanders can produce to offer us and upon our ability to supply the goods they desire cheaper than any other nation. If American manufacturers wish to sell goods on the eastern markets the conditions at home must be looked after.

"The ability to sell depends upon America's natural resources, on the efficiency of labor and the organization of industries. Also on the low cost of transportation, the knowledge of foreign markets and the adaptability to the customs and the prejudices of buyers.

"America has taken the lead in iron and steel trade because of the abundance of ores, the improved machinery for loading and the capacity of transports. European contracts for bridge building and railroad construction come to Americans because advantages similar to those enumerated enable them to do the work cheaper and better and faster than the British firms. And so I say that trade with the Philippines depends more on the smoking chimneys of the south than on the rapid-firing guns of the army.

"It is the laboring man and the taxpayer who defray the enormous cost of exploiting a new country for the benefit of a favored few who obtain industrial concessions there. The only commercial gains by conquest go to the few at the expense of the workingman and the taxpayer. The course of the present administration in exploiting the Philippines is opposed to the very origin and genius of our institutions."

States; and of course there is no promise of ultimate statehood, that is, no promise of full citizenship in the United States, with its self-government and constitutional guaranties. Under Spanish tyranny they had no representation in the Spanish Congress—*four members in the Upper House and sixteen in the Lower*—WHILE TODAY THEY ARE DENIED REPRESENTATION IN THE CONGRESS WHICH MAKES THEIR LAWS.

The following are some of the laws already forced upon this people:

2. Laws Already Forced Upon the Porto Ricans.

a DISCRIMINATING TARIFF.

The Administration, i. e., the United States Government, has prescribed for the people of Porto Rico a tariff system (sections 1 to 5 of Act of April 12, 1900). This law discriminates against the people of Porto Rico by placing a tariff on such of their products as are sent to the United States, *while there is no tariff between the people of the several States. This legislation was put through, as we have shown, by the trusts, and against the will of the American people.*

Thus are the people of Porto Rico governed by the trusts. In this tariff law—a most important regulation of their affairs—the people of Porto Rico have no more voice than had Uncle Tom when his master ordered him to pick cotton; and as Uncle Tom was whipped when he refused to obey, likewise the people of Porto Rico will be coerced if they refuse to obey their master — the Administration, through which the trusts operate. Rebellion by the Porto .Ricans will result in their being put to death, whereas, in the case of chattel slavery the penalty for rebellion does not extend to the taking of life.

The Porto Ricans had recently received free trade with their fellow-citizens in Spain, and now they have lost it and are denied free trade with those who in reality are now their fellow-citizens.

For statements by eminent Republicans, see below, page 169.

b. PRICE LEVEL FIXED--EQUITIES BETWEEN DEBTOR AND CREDITOR CONTROLLED.

There has also been forced upon the Porto Ricans a change in their monetary system. Against their will the price level has been lowered, and thus the weight of debts has been increased. The trusts and the creditor classes have done this by securing a provision in the law of April 12, that that in Porto Rico the gold standard of prices shall prevail. In the United States a great contest is being waged on the money question, yet during the past three years the dominant element in the Administration has, through conquest and false promises, gained control of an alien people and has forced on them the gold standard of prices, thereby increasing the weight of debts. Under Spanish rule they were not thus robbed. It has remained for the Trusts and the Great Creditors to outdo the Spanish tyrants.

The conditions are thus described by H. Clayton Hanna, of San Juan, Porto Rico:

"The conditions in Porto Rico are certainly serious. We are suffering now from lack of money. The Government has just withdrawn all the Spanish money and substituted United States currency, but the supply is not equal to the demand. *Only about* $1,800,000 *is in circulation, when under even moderate demands there should be* $6,000,000.

c. THE LOCAL GOVERNMENT OF PORTO RICO.

(1) Legislative Department.

The act of April 12 has provided a legislative assembly for Porto Rico consisting of two bodies; the upper is the Executive Council, *all the members of which are appointed by the President of the United States.* (Sec. 18.)

The Governor, with the power of veto, *is appointed by the President of the United States.* (Sec. 17.)

The right of the people of Porto Rico to vote for the members of the lower house is regulated by the members of the upper house, *all of whom are appointed by the President of the United States.* (Sec. 29.)

No Local Self-Government.

Thus it is that the local government of Porto Rico is entirely within the hands of the appointees of the President of the United States. The people of Porto Rico are governed entirely by citizens of another country, *and these rulers are the appointees of one man*—OF A ONE-MAN-POWER. His official title is "President," for the aim is to conceal the fact that HE IS IN REALITY THE EMPEROR OF PORTO RICO AND THE PHILIPPINES.

When Rome changed to an empire, the ruler did not proclaim himself "King," for the people would not have stood it; therefore, he deceived them by absorbing the power of a King and retained the title to which the people were accustomed, namely, "Commander," which in Latin is "Imperator"—Emperor.

Will the people be deceived? What will they do with the men who attempt to do this and to overthrow the Republic, and in the name of the party founded by Lincoln and made sacred by his life-blood! Will the name Republican party" hold men when McKinley and his lieutenants ask that their policy of holding subject races be ratified? They openly admit that they are started on a new policy (page 141 above).

Reversion to "Property Qualification."

This Act of April 12 is also reactionary, in that it fixes *a property qualification for membership* in that branch of the legislative body to which the Porto Ricans are admitted. (Section 30.)

Capstone of Infamy—Monopolists in Unrestrained Control.

But the capstone of infamy in this law is reached in a provision whereby the people of Porto Rico, through their lower house of the legislature, *shall not even vote upon the granting of franchises within their own country.* In the words of the statute:

"ALL GRANTS OF FRANCHISES, RIGHTS, AND PRIVILEGES OR CONCESSIONS OF A PUBLIC OR QUASI-PUBLIC NATURE, SHALL BE MADE BY THE EXECUTIVE COUNCIL, WITH THE APPROVAL OF THE GOVERNOR, and all franchises granted in Porto Rico shall be reported to Congress, which hereby reserves the power to annul or modify the same."

Thus are the people of Porto Rico bound hand and foot and turned over to the franchise sharks—the monopolists who operate through soulless corporations. The monopolists living in New York and other large cities are, under this law, to own and operate a system of private taxation in Porto Rico. It is to consist of railways, telegraphs, banks, gas and electric light, and even the water supply of the people. In the management of these necessaries of life, the people of Porto Rico have not the slightest voice.

(2) Department of "Justice"

Furthermore, the people of Porto Rico have not the slightest voice in the appointment or dismissal of the District Judges, the Supreme Court Judges of Porto Rico, nor of the judges in the court of last resort, the Supreme Court

of the United States. The following is the exact wording of the law:

"The Chief Justice and Associate Justices of the Supreme Court [of Porto Rico] and the marshal thereof *shall be appointed by the President* [of the United States] by and with the advice and consent of the Senate, and the judges of the District Courts *shall be appointed by the Governor*, by and with the advice and consent of the Executive Council.

"Writs of error and appeals from the final decisions of the Supreme Court of Porto Rico and the District Court of the United States shall be allowed and may be taken to the Supreme Court of the United States." (Sections 33-35.)

Thus have the monopolists in the United States provided a system whereby their own judiciary shall construe the laws—laws which are not made by the Porto Ricans but for them by these monopolists. Such is the usual policy of empire; the laws are made by foreigners, and of course the Court of Last Resort in construing these laws must also be composed of men who are foreigners.

The laws of India are laid down in England, and of course the English appoint the judges in the Court of Last Resort; and this is the system the McKinley Administration has put into operation. Followers of Lincoln cannot ratify this breach of the doctrine of self-government and of the platforms of 1856 and '60.

(3) Executive Department.

Appointments.

The Governor of Porto Rico and the heads of departments, namely, Secretary [Lieutenant-Governor], Attorney-General, Treasurer, Auditor, Commissioner of Interior, and Commissioner of Education, *are all appointed by the President of the United States, and they are all removable by him at will.* (Section 18.) The Senate must ratify the appointments, but that is a perfunctory act under an Empire.

Duties.

Among the duties prescribed for these appointees of a government foreign to the people of Porto Rico are the following:

"The Commissioner of the Interior [appointed by the President of the United States] *shall superintend all works of a public nature in Porto Rico and shall have charge of all public buildings, grounds, and lands*, except those belonging to the United States, and shall execute such requirements as may be imposed by law with respect thereto." (Section 24.)

"The Commissioner of Education [appointed by the President of the United States] *shall superintend public instruction through Porto Rico*, and all disbursements on account thereof must be approved by him; and he shall perform such other duties as may be prescribed by law." (Section 25.)

Control of Education by the Emperor.

Thus does a government foreign to the people of Porto Rico, *provide for the control of what shall be taught the children of the Porto Ricans.* THIS IS DONE IN ORDER TO CONTROL THEM WHEN THEY BECOME ADULTS, AND ALSO TO CONTROL THE PARENTS WHILE THE CHILDREN ARE AT SCHOOL. The rulers of Empires have always attempted to control instruction in the schools, for otherwise the people would not submit. Of course, special text books will have to be made if the policy of the Administration is to be continued, for the Declaration of Independence and the doctrine of self-government must not be permitted to reach the people who are denied self-government.

This prophecy, however, written some weeks ago, does not state the case, bad as it is now shown to exist:

Much Worse Than Prophesied.

A recent report to the Secretary of War by the Military Governor of Porto Rico, Gen. Geo. M. Davis, declares that TO EDUCATE THE CHILDREN WILL NOT PROMOTE CIVILIZATION. Here are his words:

"But supposing the attendance [of the children at school] was full and universal, would the result be satisfac-

tory? *Would solid advantage to society and to the populace themselves result from the instruction?* * * * They would learn of needs that could not be supplied, and their miserable surroundings would have added horrors." (Two-column report in the Washington *Evening Star*, August 16, 1900, on "Insular schools.")

Here is the most damnable recommendation ever submitted to the Chief Executive of the American people. But remember, that it is the fruits of this policy of Empire, this policy of holding subjects and controlling the education of their children. The people of Porto Rico are not permitted to control the education of their children, and here is a recommendation that they be kept in ignorance!

The underlying reason for denying education to the children of Porto Rico is that they are held as subjects and that to give them education would make them rebellious. History shows that this is true.

Education in India is Frowned Upon.

The condition in India is set forth by Mr. Morrison, a teacher in one of the colleges in India, in a book which upholds the imperial rule in India. Mr. Morrison admits without reservation that there is a universal discontent of the Indian people against foreign rule, and an intense resentment by all the educated men. To use his exact words, "The educated classes now denounce the English and all their work in India with ferocity." In the words of one of our own American observers who recently was in India, "Every educated Hindoo is a rebel."

To offset this rising spirit of freedom, Mr. Morrison declares in his book that the "sedition" must be stopped by a vigorous new policy; a policy of absolute imperialism. The government, instead of being impartial, "should publicly avow certain political opinions and should require its officers to hold those opinions as a condition of service, and to spread them among the people, and honors and emoluments should be exclusively reserved for those who support the official policy. There should be a subsidized, imperialist press, and these imperialist newspapers should give special prominence to the Queen, Empress of India, with particulars of her life, and of court news."

If the United States continues to hold vassals it must keep from them the Declaration of Independence and the old-fashioned statements of Washington, Jefferson and Lincoln. In short, special text books will have to be made, and are being made, it is believed, for Porto Rico. And we have seen that the Military Governor of Porto Rico is against all kinds of education for "our subjects."

(4) Taxation for Public Purposes.

All the salaries and other expenses of the President's numerous appointees are borne by the Porto Ricans, *and the necessary taxes are levied by the President's appointees;* it is the latter who have the determining voice in local legislation—the executive council, consisting of the President's appointees, is one branch of the legislature, while the Governor has a veto.

And all the contracts for public improvements *are made by the President's appointees*, and the taxes to pay therefor are levied on the Porto Ricans by those same appointees of the President of the United States.

An illustration of what this means to the people of Porto Rico is as follows:

An Illustration.

The report of the President of the Insular Board of Education, Dr. Clark, shows that the total annual expenditure for a first-class system of schools in a city in Minnesota with 1,100 enrolled, was $13,000, United States currency; but "the city of San Juan,

though much larger than New Ulm, had 1,100 pupils, exactly the same number as the former place, enrolled in its municipal schools. The number of pupils per teacher is greater than in the Minnesota city. The buildings are imperfectly lighted and poorly ventilated, with defective sanitary conveniences, and without proper school furniture. There is no secondary instruction offered. In short, THE EFFECTIVENESS OF THE SCHOOL SYSTEM IS, UPON A CONSERVATIVE ESTIMATE, NOT 50 PER CENT OF THE ONE IN THE STATES; and yet the amount expended is $17,420 more than for the American school [at New Ulm]." In other words, IT COSTS MORE THAN TWICE THAT OF THE SCHOOL SYSTEM IN NEW ULM, AND THE EFFECTIVENESS OF THE PORTO RICAN SYSTEM IS ONLY HALF AS GREAT. The Porto Rican system, then, under an Empire, yields to the people of Porto Rico ONLY ONE-FOURTH OF THE VALUE OF THEIR MONEY.

Some of the ways in which the powers in control are lining their pockets are seen at a glance when that portion of Dr. Clark's report is examined which deals with the cost of school buildings. He shows that they are nearly all of them *rented*, and that the rental is so high that, figured on a five per cent basis, the value of the property would be $1,630 for each one of the teachers employed, whereas, in the United States the value, he says, "of the average rural and town school property is $872 to each teacher. FOR SCHOOL BUILDINGS WE ARE PAYING FOUR OR FIVE TIMES AS MUCH AS IS PAID BY THE AMERICANS. (Verbatim report on "Insular Schools" in Washington Star, Aug. 16, 1900—a strong Administration organ.)

(5) Private Taxation.

As has already been set forth, the monopolies in Porto Rico, for example, the banks, railroads, etc., *are in nowise controlled by the people who must use them*, and as it is a fact that all the charges in excess of enough to furnish a reasonable return upon the capital invested, is a *tax for private purposes*, it follows that this Law of Congress of April 12 prescribes a system of private taxation *and places it under the control of appointees of the President of the United States.*

This is an infamy of such huge proportions that language cannot properly describe what it means to the people of Porto Rico, if ratified by the voters at the polls. In the United States the monopolists are high-handed, but the people have the government within their control—when they care to assert it, while in Porto Rico they are subjects, and the President, through his appointees, is an absolute Czar. Should this policy be adopted at the polls, the pillage of the Porto Ricans by the trusts and other monopolists could scarcely be compared with any like villainy that has heretofore been perpetrated. Already the meager school accommodations are costing the people of Porto Rico four times as much as they would under an efficient government. What will the future hold if the policy of Empire be ratified at the polls?

3. Statement of Injustices, by a Porto Rican Daily Paper.

The following is a translation of an article published in El Diario de Puerto Rico, a daily newspaper issued at Ponce.

"The American Government found in Porto Rico A GREAT AUTONOMY, *like and as good as that of Canada.* It ought to have accepted this autonomy and approved it instead of overthrowing it as it did.

The Porto Ricans under Spanish dominion were considered Spanish CITIZENS. They had three representatives in the Spanish Senate and sixteen representatives in the House. These rep-

resentatives not only governed the Island of Porto Rico, but also helped to govern Spain. Now we are to have one delegate to Washington *without voice or vote.*

"Then we had a Council whose resolutions were always sanctioned by the Governor General. Now we have an Executive Council formed for the most part of persons who never were Porto Ricans nor have any business here. Their only interest lies in working for the Republican party in Washington, which party sent them here. But they are paid out of the Porto Rican treasury.

"Then we had an insular House of Representatives, the members of which *were elected by* POPULAR SUFFRAGE. This house was created to legislate upon internal revenue, public works, instruction in business, health, the mills and telegraphs. Now we shall have a council of members, *all of whom will be* APPOINTED BY THE EXECUTIVE COUNCIL, which in turn is itself appointed by the Republican party at Washington with imperialistic instructions.

"Then we had a fairly good system of instruction, which was to have been improved later on. Now we have a system of instruction, through the intricacies of which the students have already lost one year at school without any positive results, *and are liable to lose as many more years as the present imperialistic government at Washington may desire.*

Then we had daily mails in every city and at every place on the island. We now have mail *every other day in many places and in others every third day.*

"Then the treasury had A YEARLY SURPLUS, in spite of the taxes for the army any navy and the tribute to the descendants of Christopher Columbus. Now we have a treasury which shows A DEFICIT OF ABOUT $1,000,000.

"The Government offices of Porto Rico were formerly occupied *by Porto Ricans. Now the offices are occupied by the favorites of the Republican administration at Washington.* Thus the money paid these officers for salaries *leaves the island.* Not only is this the case, but these officers are drawing *comparatively large salaries,* WHICH THEY THEMSELVES PRACTICALLY FIX.

"Then we had an official language under the Government of Spain by which we could make ourselves understood by the home Government. Now we have an official language which we neither know nor can ever learn, because its pronunciation is practically impossible for the Spanish vocal organs.

"Then we had a suffrage system through which *every male citizen over twenty-five years of age was allowed a vote, but not taxed for it.* To-day we have a suffrage system which *restricts us.* It is incomplete and TAKES AWAY FROM THE MASSES OF THE PEOPLE THE RIGHT WHICH SPANISH AUTONOMY FORMERLY GAVE THEM.

"Then we had the Moret platform, which gave us *autonomical municipal corporations.* To-day we have municipalities UNDER THE TUTORSHIP OF THE CIVIL GOVERNOR IN POLITICAL AFFAIRS, and UNDER THE CENTRAL TREASURY in economical administrative affairs.

"Under the Spanish rule no home of any Porto Rican was ever violated. Periodicals were never suppressed because they told the truth.

"No military court like that presided over by Mr. Pettingill ever judged civilians. The people were not clubbed by the policemen in the streets, as has been done in Taorta and Ponce. No police court was ever created for the benefit of a sycophantic party and for the purpose of exploiting the petty offences of the people. No civil functionary ever interfered in the conduct of the judge of the court, as is done to-day by the Governor, who, contrary to orders of the judge, ordered the release of a policeman who had shot with a revolver a defenseless woman. Then we had no police courts from whose sentences there was no appeal. We had no courts which were so despotic in their operations that they are to-day called by the people of Porto Rico 'HOLY INQUISITIONAL COURTS.' When a Porto Rican appears before one of these present courts as an offender, although the judges do not understand the testimony and the offender does not understand what is being said for or against him, after a few moments the judge sometimes holds up both hands, palms outward, with the ten fingers extended, and announces sentence of '$10 or ten days.'

"The people in Porto Rico who sympathize with the Republican administration get the best jobs. Formerly we had personal security in the streets and on the highways. But to-day, under the administration of Republican officials, high and low, appointed by the administration at Washington, *we are compelled to carry arms to protect ourselves, because the worst elements,* both

in Porto Rico and America, *have followed the flag.*

"Formerly no Porto Rican was ever condemned to the penitentiary for having whipped a 'Continental' (an American). All crimes were formerly properly punished and assassins could not go free—assassins among the Americans, like those who killed Senor Barros, who was striking for higher wages for his work in the most peaceable and orderly way.

"Formerly we had no mobs who went about the streets creating tumult and challenging death.

"Formerly *we had our own constitution.* To-day we have nothing in its place—absolutely nothing.

"Formerly the country people did not have to migrate from camp to camp, driven by their hunger and misery to roaming the streets devoid of clothing.

"Formerly we did not hear insults in the mouths of ministers and American Senators in Congress, as we have from Mr. Root and his Republican partisans.

"Formerly no colonel could have taken from the bench in Ponce a man like Senor Becerra without the least good motive or cause.

"General Brooke, upon the recommendation of Senor Riviera Munoz, suppressed a personal pass or 'cedula.'

"Now instead of what was good in the way of taxes there has been established *a tax upon matches, alcohol and* ARMS, *and this latter gives the police the right of search of any Porto Rican citizen.*

"The army transports bring provisions here from the United States and nothing is purchased from the natives by the business people of the island.

"As to salaries, Mr. Boutwell, who is Marshal of the Supreme Court and at the same time executive officer of the prison board, receives an annual salary for his services of $4,800.

"There are kept in Washington a million of dollars which belong to the people of Porto Rico, who are in dire need of this money to prevent starvation.

"WE ARE UTTERLY BROKEN DOWN BY THE 15 PER CENT TARIFF, *which amounts in gold to* MORE THAN THE WHOLE OF THE FORMER SPANISH TARIFF.

"We have to pay school taxes—that is, each inhabitant has to pay $1 taxes to cover the expenditures for useless schools in Porto Rico and useless buildings for schools here. We paid for the construction of a model school, which has an intrinsic value of $6,000, *the sum of* $13,000.

"Taxes have to be paid now on horses, dogs, cats, etc. The public funds are collected and disbursed with no account being taken, and nobody here knows how much comes in and how much goes out. This state of affairs has existed from the 18th of October, 1898, when the Americans took possession of the island, up to the 27th of July, 1900. *And the veil which covers these transactions can only be lifted by Mr. McKinley and his official family, including baggage (Republican carpetbaggers).*

"These are some of the reasons why we kept quiet and felt no disposition to celebrate the 25th of July [Independence Day] with American flag services. IT WAS ON THIS DAY THAT THE AMERICAN MILITARY RULE—OUR SLAVERY AND OUR FUNERAL—BEGAN. When we believed that the sun of liberty would rise and shed its rays upon us, and when we aided in the circumstances which brought about this change from the rule of Spain, *we only assisted in bringing on the present spectacle of terrible absorption.* We thought we would at least be declared a Territory, *but we are only a colony.* We really do not know what we are. We are changed from the Spanish rule to that of America, the purpose of which we do not know.

"We desired prosperity, and we have been reduced to abject misery. We are prevented from making a loan in Washington and absolutely denied the privilege of making a loan elsewhere. The typical Spanish manana has been repeated. We have changed in name only, *and have changed from the shower to the downpour.* Much has been promised us by McKinley and his Administration, and he and they only know whether such promises have any remote hope of fulfillment.

4. Denunciation by Republican Leaders.

The leading Republican in the Senate, the chairman of the committee on foreign relations, Hon. C. K. Davis, voted that this Porto Rican law should be defeated. In his speech in the Senate he said:

"It cannot be denied, Mr. President, that at the time this bill was reported in the House a tide of public opinion and dissent set in *against the very principle upon which it is based.* That dissent began with surprise; it progressed to remonstrance, and from thence it went to indignation. It was not the protest of the members of any party. *The dissent did not coincide at all upon party lines.* It came from every walk of life; it was communicated through every avenue of thought.

"Mr. President, I think I could be as firm as anybody against a sudden convulsive, transitory public opinion, but when the opinion of the public, whose servants we are, is heard, through every organ of expression, week after week, and swelling in intensity, volume and indignation, and speaks with intelligence to us, it will be well for us to hear it, for it will make itself heard. It is said that this subject is not understood. Mr. President, *it is well understood.* It is vain that any man can claim—he need not lay the flattering unction to his soul—that the editors of the great journals throughout the land do not understand the subject just as well as we. It is futile to pretend that the mass of the people throughout the country do not understand a subject *so simple as this.*"

Ex-Senator Edmunds, in a letter to Senator Proctor, March 21, 1900, said:

"Both as an American citizen and an original and constant Republican, I am very glad to learn that you are opposed to legislation having the effect of imposing on the people of Porto Rico any kind of revenue burden or benefit that is not common to the whole people of the United States. Any such measure, if enacted, will, I believe, be unique in our whole history. It will imitate and parallel the acts of the British parliament which forced our fathers to just resistance and revolution, and led them to establish a Constitution which in studied and explicit terms forbade any such discrimination."

Senator Redfield Proctor, of Vermont, a lifelong Republican, in his speech in the Senate, March 30, 1900, said:

"The people, Mr. President, look upon this *as a matter of principle, a question of good faith and common honesty;* and their moral sense has been shocked and the national heart and conscience stirred by the fear that this measure of taxation will be adopted by Congress. Mr. President, let us thank heaven that we have a people whose moral sense, whose love of justice and fair play *cannot be trifled with with impunity.*"

"Ex-President Harrison has publicly said: 'I regard the House bill *as a very grave departure from right principles.*' And it will be submitted, Mr. President, that Benjamin Harrison is a good judge of what are right principles.

"The people believe, as the President did when he wrote in his annual message, in the formal and solemn method for communicating with Congress sanctioned by the Constitution and usage, that '*our plain duty is to abolish the customs tariff between the United States and Porto Rico.*'

"The people know that sentence by heart, as I have said, Mr. President, and they will repeat it millions of times within the year from its deliverance unless we perform what the President says is 'our plain duty.' The people believe that this is a question, not of mere policy, *but of principle,* as the Secretary of War evidently did when he said in his annual report, '*The highest considerations of justice and good faith* demand that we should not disappoint the confident expectation of sharing in our prosperity with which the people of Porto Rico so gladly transferred their allegiance to the United States.' . . .

The plea of harmony in the party appeals to me strongly. BUT THIS IS A QUESTION HIGHER THAN PARTY OR POLICY; IT IS A QUESTION OF PRINCIPLE."

The Republican Governor of Rhode Island, Elisha Dyer, at a meeting of his political associaties at Providence, March 31, 1900, said:

"I believe it is the duty of every Republican to stand up, and with no uncertain sound condemn any course of procedure by Congress *which brings into question the honor of the American nation* toward those new peoples who have come under its protection. In the very beginning of the war with Spain, when it was uncertain what the result would be so far as added territory was concerned, the United States went to Porto Rico; it made no excuse that the island had been misgoverned by Spanish rule; it made no apologies; it said the island of Porto Rico is the gateway to the Antilles. To treat these people now *as if they were aliens, as if they had no rights at all*, to have gone over and taken possession of their island, to set up our own government and then to impose duties upon them just as we would upon the people of Hayti or Santo Domingo, IS ONE OF THE MOST OUTRAGEOUS TRANSACTIONS THAT COULD BE THOUGHT OF.

"It is most encouraging that so many of the men who mold public opinion have taken the stand they have. It is not a question of constitutional right, IT IS A QUESTION OF SIMPLE JUSTICE. Nations have moral obligations resting upon them as well as individuals. God forbid that any peoples should have to say that they preferred Spanish rule and that they trusted more in Spanish honor than they did in the honor of the United States.

"The Republican party has always been loyal to the principles it has enunciated. *I believe there is today sufficient manhood in the party to stand up and not only protest against BUT TO REFUSE SUPPORT TO ANY MEN OR MEASURES NOT ABSOLUTELY COMMITTED TO THE PRINCIPLES OF NATIONAL JUSTICE AND NATIONAL HONOR.*"—(New York Sun, April 1, 1900.)

As to what is the underlying principle of a republic and the penalty for its transgressions, hear Abraham Lincoln:

"Those who deny freedom for others [self-government], deserve it not for themselves, and under a just God cannot long retain it." (Vol. I., p. 533, Complete Works.)

An illustration of the retribution which awaits us whenever we enter upon foreign conquest is the Civil War. In his memoirs General Grant says:

*"For myself I was bitterly opposed to the policy toward Mexico, and to this day regard the war which resulted as one of the most unjust ever waged by a stronger against a weaker nation. It was an instance of a republic following the bad example of European monarchies, in not considering justice in their desire to acquire additional territory. * * * The southern rebellion was largely the outgrowth of the Mexican war. Nations, like individuals, are punished for their transgressions."*

5. Denunciation by the Republican Press.

The Republican press denounced the proposed law for Porto Rico, but it was of no avail; the infamous measure was crowded through. Quotations are published in the Congressional Record, March 27, 1900, in a speech by Mr. Williams of the House, and published also in the Democratic Campaign Book, pages 175-202.

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1. Outline.

In view of the fact that the presidential election is at hand, the administration did not dare to frame a law for the government of the people of the Philippines. It remembered the Porto Rican law for the holding of subjects. It would not do, it was thought, to again rouse the indignation of the people, for *it was believed that the continuance of the President's rule in the Philippines would lose less votes.* Accordingly the administration leaders put through Congress a resolution continuing in President McKinley the entire government of 10,000,000 people in the Philippines and such of the Americans as have gone over there.

Thus for eighteen months one man has had full and unlimited power over these 10,000,000 souls situated on the other side of the globe, and of a different race. Caesar was less omnipotent, for there was no telegraph in his day, and, therefore, the local ruler was more largely in control than is the case in the Philippines. Every hour the ruler of the Philippines is in direct touch with his appointees and they are removable at the will of their chief.

How this man has ruled his subjects is now pretty clearly known. In the foregoing pages some of his doings are proved from the reports of his deputized rulers, and other evidence will be presented after a brief review of what has already been set forth.

2. Decrees Already Issued by McKinley.

a. INTRODUCTORY—ACTION TOWARD CUBA BEFORE THE WAR.

When, by the order of "Butcher" Weyler, the Cuban people were concentrated in the towns, President McKinley, in a message to Congress concerning war, declared that this concentration "was not civilized warfare; it was extermination."* *This uncivilized warfare continued for more than two years with the President's knowledge,* AND HE KEPT FROM THE AMERICAN PEOPLE THE DESCRIPTION OF ITS HORRORS AS RECITED BY HIS CONSULS IN CUBA. He "battened the windows," so to speak, and kept from the American people the pleadings of the starving and dying Cubans. The people did not learn of these horrors until their Senators and Congressmen visited Cuba, and in speeches in Congress related the horrors of the Spanish policy of concentration and extermination.

This man's conduct towards the people in the Philippines is as bad as that which we have just recited and each day that this great unlimited power over millions of men is continued *it is growing worse.*

b. DETERMINATION TO HOLD THE FILIPINOS AND THEIR PROPERTY (INCLUDING FRANCHISES).

Just what time the conclusion was reached by the administration to hold the people of the Philippines and their property is not exactly known, but we have evidence. General Anderson, who took command of our land forces in the islands about the first of July, 1898, in an article in the *North American Review* for February, 1900, says:

"I was the first to tell Admiral Dewey that there was any disposition on the part of the American people to hold the Philippines if they were captured."

From this it is clear that before the final capture of the city of Manila the administration determined to hold the Filipinos and their property. McKinley made up his mind to place his allies in bondage, and if necessary to accomplish it, to use the army and navy of the United States to kill as many Filipinos as stood in his way, at the same time allowing as many of the United States volunteers and regulars to be slaughtered as should be necessary to accomplish his object.

c. CHANGE OF COMMANDER—WHAT HE DID.

With this in view, McKinley *changed the commander of the land forces,* and instructions were given that while using Filipinos to defeat the Spaniards, no promises should be made nor should there be too close an alliance. General Merritt was sent to succeed General Anderson; and the Filipinos were made to feel a distinct change in their status. Familiar intercourse was discouraged. Requests became more like commands. Reinforcements continued to be landed in places suitable to the convenience of the administration's forces without paying much respect to the remonstrances of the Philippine Government. And as the time approached for the simulated attack on the city of Manila, the Filipinos were maneuvered out of the trenches they had held so long, and in their places were put McKinley's legions. When the city capitulated General Merritt endeavored to prevent Aguinaldo and his troops from participating in the glory of entering the city and the honor of occupying it. A considerable number of the Philippine soldiers, however, entered the city, but they were soon compelled to retire and

*President McKinley, in his annual message to Congress, December 6, 1897, said: "The cruel concentration [in Cuba] was initiated February 16, 1896. * * * It was not civilized warfare. It was extermination. Against this abuse of the rights of war I have felt constrained on repeated occasions to enter the firm and earnest protest of this Government."

to occupy lines constantly more and more remote.

d. FALSEHOOD AND OTHER FORMS OF DECEIT.

During the months which elapsed between the fall of Manila and the signing of the treaty of the Commissioners at Paris, McKinley kept, as far as possible, from the people in the Philippines and from the American people his determination to overthrow the Republic *by holding subjects.* Lies were industriously circulated throughout the United States as to the character and capabilities of the people of the Philippines, in an endeavor to prepare the way for acceptance of his program by the people of the United States—the sovereign power when election day arrives; and with uplifted eyes and sanctimonious countenances McKinley and his cohorts declared that the action of the Administration was in pursuance of duty and destiny—of civilization and progress—of love for the Filipinos, etc. To use the precise words of McKinley in a cablegram to Otis for Filipino consumption:

"*We accepted the Philippines from* HIGH DUTY, IN THE INTERESTS OF THEIR INHABITANTS AND FOR HUMANITY AND CIVILIZATION. OUR SACRIFICES WERE MADE WITH THIS HUMANE MOTIVE." (Page 79, Gen. Otis' report.)

The above was addressed to the people of the Philippines; similar statements were made to the American people. We all remember Mr. McKinley's statements concerning "duty" and "destiny." Congressman Lentz commented upon this in a speech in the House, March 27, 1900. He first quoted the following from President McKinley's speech at Youngstown, O., October 18 of last year:

"They [the U. S. soldiers] are there because in the providence of God, who moves mysteriously, that archipelago has been placed in the hands of the American people."

After quoting the above, Mr. Lentz remarked:

"I challenge that statement—that God had anything to do with it. I do not believe that the Deity is in any closer communion with the President of the United States than he is with a justice of the peace. (Laughter.) At least, not when he is laying corner stones in Youngstown for the city of Chicago. (Laughter.)

"You will bear with me when I remind you that the 13th of August, 1898, is the day when Manila was surrendered. Here is a telegram sent by the Assistant Secretary of the Navy, directed by the President of the United States to be sent according to this report, and I read from page 122 of the operations of the Asiatic station, a report given out by the Secretary of the Navy.

McKinley's Inquiry as to Commercial Value.

"Remember, Manila had just surrendered.

Washington, Aug. 13, 1898.

"Dewey (Care American Consul), Hongkong:

"The President desires to receive from you any important information you may have of the Philippines; the desirability of the several islands."

Now, if God was in the real estate business, why could He not know all about that without wiring through William McKinley and the Assistant Secretary of the Navy. I read again—

"The character of their population, coal, and other mineral deposits."

Think of Deity asking the President of the United States to ask Dewey about the coal and other mineral deposits in the Philippine islands!

For the life of me—and I have been reading this cablegram month after month—up to this hour I am unable to understand what Deity wanted with coal in the hot month of August. (Laughter on the Democratic side.) If the gentleman in charge of the government below had been looking for a coaling station, getting ready for some of the members of the American Congress and the Cabinet, I could understand why he wanted more coal. (Great laughter.) I might say that the chairman of the Republican National Committee is the man that knows more about coal and pig iron than any man in the American Congress, and I suspect that he had more to do with sticking that sentence into that telegram than Deity had.

I can not escape the thought that somebody who was in the coal or other mineral business was the fellow who

wrote that telegram on the announcement of the surrender of Manila. But that is not all. Admiral Dewey, and not Deity, on the 20th of August replied:

Luzon is in all respects the most desirable to retain.

Luzon produces all the good tobacco.

Was Deity interested in the good tobacco of Luzon, or was it the American tobacco trust.

And Dewey further answered:

Iloilo second commercial port; center of sugar trade.

Tobacco, sugar, and coal. But Deity did not know whether we wanted the islands until the Navy Department secured the information from Admiral Dewey as to what products we could rely upon in that country.

Not only was McKinley himself guilty of deceit, but he selected his subordinates with a view to their efficiency in this regard, as results show. In the Philippines he was represented in the military department by General Otis, and when, through a mistake, McKinley worded his proclamation to the Filipinos in such plain terms that they could understand the intention to hold them as subjects, this tool of McKinley left out the words "sovereignty," etc., so that "the beneficent object of the United States," using Otis's own words, "will be brought clearly" within the comprehension of the people. But General Miller, to whom another copy had been forwarded at Iloilo, was not so wily, and he published the proclamation, thereby letting the Filipinos know the truth.

e. REFUSES TO RECEIVE PHILIPPINE REPRESENTATIVE AND DECEIVES THE AMERICAN PEOPLE.

The intentions of McKinley had been strongly suspected by the leaders of the Philippine Government, and they had dispatched representatives to the United States, in order to inform the American people and the United States Senate of the facts in the case and thus prevent the ratification of that portion of the treaty which transferred the sovereignty of the Philippines to the United States instead of to the Filipinos themselves. But the President refused to receive their representative, and the power of the administration was exerted to falsify the case and thus present it to the people. The press was filled with misrepresentations.

f. SECURES THE CONSENT OF THE SENATE TO HOLD FILIPINOS AS SUBJECTS BY MEANS OF

(1) Attack on the Filipino Lines and Consequent Murder of American Soldiers.

But the purported transfer of sovereignty to the United States *would have been defeated had not the administration, through its representative in the Philippines,* ATTACKED THE FILIPINO LINES, KEEPING THE FLAG UNDER FIRE FOR A WHOLE DAY, WITH A LOSS TO OUR TROOPS OF 250 KILLED AND WOUNDED. Conclusive evidence of this is set forth in the preceding pages.

But all this was insufficient to secure the consent of the Senate to the holding of subjects.

(2) Senators Were Promised that Filipinos Would be Freed.

A United States Senator (Wellington) states that he voted for the ratification of the treaty because of an express promise made to him and a colleague by the President when they called on him at the White House while the battle of Manila was raging. "The President," says Senator Wellington, "declared that it was not his purpose to permanently acquire or hold, against the consent of the inhabitants of the Philippine Islands; that it was his purpose only to restore law and order by American arms in the contest then being waged (this was the day that General Otis assaulted the Filipinos), and to prevent foreign interference in the affairs of the archipelago."

g PROMISE OF INDEPENDENCE REFUSED.

After the Administration had thus forced the Senate's acceptance of the sovereignty over the people of the Philippines and their property, a resolution was brought forward by the lovers of

the Republic, promising independence to the people of the Philippines (resolution set forth at page 135, above), but it was defeated by the Administration. Not only did McKinley oppose it, but Hanna, Platt and other employes of the trusts and monopolists voted against this promise of future independence to 10,000,000 people—voted in favor of continuing to hold them as subjects; just as in this campaign they are trying to continue the existence of the trusts and thus hold the American people as subjects along with their other subjects in Porto Rico and the Philippines.

Since the defeat of this promise of independence, more than eighteen months have elapsed, and the war in the Philippines has been continued. McKinley could have stopped it any day by declaring that he desired the independence of the Filipinos. Independence is what they are fighting for and, of course, the promise of it, accompanied by reasonable terms, would have ended the war. But this promise has been denied them. Evidence that this is so is the continuance of the war and the statements of McKinley and coworkers at pages 137 to 146, above.

h. THE PRESENT NUMBER OF McKINLEY'S OFFICIAL MURDERS.

As a result of McKinley's refusal to promise independence, thousands of our countrymen have been killed and wounded or have died of disease.

All of this is directly chargeable to McKinley's determination to hold the Filipino people as subjects and his continued refusal to grant their just requests for independence. The Senators who voted for this war of subjugation in defiance of the provisions of the Constitution for a republican form of government are also responsible for the deaths. They are murderers. That this is the exact word to be used is demonstrated by an examination of the meaning of this term.

"Murder" is the unnecessary or unjust taking of human life. It is murder for one human being to kill another, except in self-defense. And the unjust and unnecessary life-taking character of a war of conquest by the elected representatives of the people is beyond question.

This is but preliminary to a statement of the question at issue on election day. It is this:

THE QUESTION AT ISSUE; MURDER OR PATRIOTISM.

Every man who votes for a continuance of the policy of conquest will be responsible for every life taken in the furtherance of such policy. In other words, for every life taken in the wars of conquest that may result, he becomes a co-murderer.

If the policy of conquest receives enough votes to continue the Administration in power, or if there is a semblance of enough votes and the millions of dollars subscribed by the trusts can count in their candidates, *the United States will continue its career of conquest, and to an extent which no man can foretell.* Not only will more lives be sacrificed in the Philippines, but other wars must result, with attendant loss of life and misery, degradation and inhumanity defying the power of words.

In the Philippines alone, under a continuation of this government of force, the outlook is appalling. The following statement is by Major Richard W. Young, a graduate of West Point, member of Gen. Hancock's staff at Governor's Island, N. Y., in the early '80s, a judge in the Manila Supreme Court and chief of the Criminal Division, which is composed of five judges. In a letter written since last March to a friend in the United States, who afterward obtained permission to print it, he says:

3. Military Situation in Philippines if Government by Force is Continued.

"The war is not over, by any means. The end is not in sight. Military men seem to expect it to last for months, or even years. *The spirit of insurrection is not tamed; the natives die with a stoicism worthy the highest admiration.* We have few real friends among them and those few run the risk of speedy assassination in making manifest their friendship. The present policy of Aguinaldo is Fabian; he risks no engagements, but is constantly alert in attacking our weak garrisons and waylaying our struggling troops. He boloes our outposts and falls with a bloody hand on the hapless town that has welcomed the American troops when abandoned by the latter. His troops find a sufficient sustenance in fruits and rice; they require but a few yards of cotton cloth as clothing, take to a tropical sun like ducks to water, *and expect no pay.*

"Our officers and men are killed nearly every day, while a considerable number are constantly falling victims to the sun. A few days since I went out to Las Banos, on the Laguna, where Captain Hilton, formerly of the Colorados, and Andy Burt are stationed with their companies. The captains were both 'under the weather,' and each had over fifty men out of ninety in sick report. This is exceptional, but as a general rule the men can not do much campaigning in this climate and retain their strength.

"The present volunteer regiments must be mustered out in one year, and it is already a serious question how they are to be replaced. The number of troops can not be reduced, in fact double or treble the number seems necessary in order to bring a speedy order out of this chaos. But, when apparent peace has been brought about, how long will it continue? THEIR IDEALS OF INDEPENDENCE WILL REMAIN UNREALIZED. The bitterness of a two or three years' campaign, with its horrors, its burning of churches and homes and its death of tens of thousands of their fellow countrymen, *will be perpetuated in the wailings of the widow, the fatherless and the desolate.* REVOLUTION, TOO, HAS BECOME A HABIT AMONG THESE PEOPLE.

"For the life of me, I am unable to see what the commission can do except to take large masses of conjectural testimony. *Neither they nor their agents can poke their noses beyond our lines without danger of getting a Mauser in the nostril.* CIVIL GOVERNMENTS WILL BE IMPOSSIBLE WITHOUT GARRISONS AND IT WOULD REQUIRE 200,000 MEN TO GARRISON THE IMMENSE GROUP OF ISLANDS."

Since the above was written by Judge Young, of Manila, the Philippine Commission has reported that the natives are becoming content with the government provided by the United States. A dispatch of September 19, passed by the censor at Manila, states that a body of 1,000 insurgents, armed with rifles and intrenched, were but a short distance from Manila and that an engagement took place in which the Americans had twelve killed, twenty-six wounded and five missing. The dispatch continues:

"There are rumors of attacks on the railroad and of trouble in Manila. Refugees are arriving here from Laguna, Morong and Pampanga provinces. The natives of Manila are restless, and many are leaving the city. The hostile demonstrations are particularly marked along the railroad and on the shores of Laguna de Bay. The insurgents have attacked garrisons and outposts. In some cases they have charged towns, fleeing when pursued. Guiguinto, Polo, Malolos and Caloocan have been subjected to this treatment.

"The Manila mail escort of thirty men was attacked at Cabugao Lake, a two hours' fight ensuing. Cabugao was also attacked, the telegraph office there being destroyed. The insurgents have burned the village of Rosario. They have been cutting the telegraph wires and railroad at certain points.

"Armed insurgents have developed in the districts of San Jose, San Mateo and Mariquina. In the province of Uueva Ecija ration wagons, with an escort of twelve, were attacked and the wagons burned. Five members of the escort are missing. Advices from Cebu describe several attacks upon American garrisons near the capital. The American casualties outside the Seniloan engagement it is difficult to ascertain, but they are at least fifteen."

4. False in One, False in All--Further Infamous Decrees by McKinley.

The man who committed the iniquity of holding allies by force when they had disposed of the common enemy, and of continuing his hold by putting our flag under fire and thus murdering our troops, may be said to be morally insane, and his subsequent conduct shows that he has gone wrong in nearly all directions. His sense of moral honesty is completely shattered. Among the yet-to-be-mentioned infamies is that of the re-establishment of chattel slavery under the Stars and Stripes.

a. CHATTEL SLAVERY RE-ESTABLISHED UNDER THE STARS AND STRIPES.

Not only has the Declaration of Independence been rejected by the Administration, and the Constitution nullified, and therefore the results of the Civil War as to human freedom all rejected, but chattel slavery is re-established under the Stars and Stripes. This is so fearful a charge against the Administration that the veterans of the Civil War and all who hold dear the principles of the people are inclined to doubt the truthfulness of this charge. But there is not the slightest doubt. The agreement between the President and the Sultan of Sulu and his princes is a matter of record—the evidence is indisputable. In that agreement it is said:

"Article I.—The *sovereignty* of the United States over the whole archipelago of Jolo and its dependencies is declared and acknowledged.

"Article II.—The United States *flag* will be used in the archipelago of Jolo and its dependencies on land and sea.

* * *

"Article X.—ANY SLAVE IN THE ARCHIPELAGO OF SULU SHALL HAVE THE RIGHT TO PURCHASE FREEDOM BY PAYING TO THE MASTER THE USUAL MARKET VALUE."

There you have it. The Stars and Stripes is the flag that is used in the archipelago of Sulu and its dependencies, on land and sea, and under it are the slaves who are permitted to purchase their freedom by paying the market price.

President McKinley, when he ratified the agreement, said that it was "with the understanding and reservation, which should be distinctly communicated to the Sultan of Jolo, that this agreement is not to be deemed in any way to authorize or give the consent of the United States to the existence of slavery in the Sulu archipelago, a thing which is made impossible by the thirteenth amendment to the Constitution of the United States." But this so-called reservation was not intended to prevent slavery in the Sulu islands, nor did it do so, *for the slaves are held there today, and the Stars and Stripes float over them.*

Veterans of the Civil War, gaze upon the picture: the Stars and Stripes again waving over chattel slavery. Sons and daughters of the men that died for freedom in the Civil War, gaze upon this picture! Sons and daughters of the heroes of the American Revolution, gaze upon this picture; and you who have come from foreign empires to the land which boasted of equal rights before the law, look upon it and say whether you will vote for this condition of things, or whether you will vote against it. The question is now up to you. You are to decide, and if you vote yea, then you deliberately declare that you favor chattel slavery under the sovereignty and flag of the United States.

As to what this chattel slavery is, listen to what historians say:

Character of Sulu Slavery.

In Foreman's book on the Philippines, published last year, he describes the Sulu Islands, saying:

"Slavery exists in a most ample sense. *There are slaves by birth and others by conquest, such as prisoners of war, insolvent debtors, and those seized by piratical expeditions to other islands.* A creole friend of mine, Don A. M., was

one of these last. He had commenced clearing an estate for cane growing on the Negros coast some years ago, when he was seized and carried off to Sulu Island. In a few years he was ransomed and returned to Negros, where he formed one of the finest sugar haciendas and factories in the colony."

In Featherman's Social History of the Races of Mankind, it is said:

"Slavery exists on Sulu Island, and the slaves, who were formerly brought from the Philippines, are not well treated, for *their masters exercise the power of life and death over them, and sometimes kill them for trifling offenses.* The datos frequently punish a disobedient or fugitive slave by drawing their campilan or kris and cutting off his head at one stroke without process of law."

In St. John's "Far East," volume II, page 192, it is said:

"The slaves are collected from all parts of the archipelago, from Acheen Head to New Guinea, and from the south of Siam to the most northern parts of the Philippines. IT IS A REGULAR SLAVE MARKET."

b. POLYGAMY IS RE-ESTABLISHED UNDER THE STARS AND STRIPES.

Article III. declares that "The Moros shall not be interfered with on account of their religion; all their religious customs shall be respected."

Polygamy is one of their religious customs, and it is being observed today. Today polygamy is a recognized institution under the Administration's policy of Empire. It is part and parcel of the policy of Empire just as much as the re-establishment of chattel slavery and the existence of a king and princes, who are subordinate to the President of the United States.

That polygamy exists is not disputed. Here are the words of Captain Pratt, of the United States Army, who assisted in negotiating the Sulu agreement:

"The Sultan is thirty years of age and has one wife, *thirteen concubines and many slaves.*"

This is the outfit over which the United States flag floats today. This is part and parcel of the new policy of Empire. Will you vote for it; or will you spurn it?

c. FILIPINOS FORCED TO COMPETE WITH CHATTEL SLAVES.

Another important feature in this Sulu agreement is the fact that the people of the Philippines are forced to compete with this labor of chattel slaves in the Sulu islands. Article V. of the agreement provides that:

"All trade in domestic products of the archipelago of Sulu, when carried on by the Sultan and his people with any part of the Philippine Islands, and when conducted under the American flag, shall be *free, unlimited, and undutiable.*"

By the foregoing clause the Malayans of Manila and the surrounding country are, without their consent, forced to carry on free trade with the Moros in the Sulu Islands, a different race of people; and, further, these Moros own chattel slaves. Not only are the people of the Philippines forced to accept a *tariff system without their consent,* but they are forced to enter into free trade with the neighboring islands which send forth *the products of chattel slaves.* And the administration is also forcing the people in the Philippines, including Americans, to compete with an unrestricted immigration of Chinese and Japanese.

d. MONARCHY IN FULL BLAST.

Monarchy is also in full blast under the Stars and Stripes. The Sultan is a monarch—a king. Article XI. speaks of the "subjects of the Sultan"—subjects of a king. This shows that we have not only an Empire, but a monarchy under the Stars and Stripes, and an absolute monarchy at that. Historians tell us that this king beheads people with his sword, without trial. It is an absolute monarchy, and above this monarch is his master—the man who as to the United States is termed President. But what is the name that describes his relation to the subject peoples whom he rules? Will some Administration cuckoo name him?

e. HOW THE KING SHALL COMPLAIN TO THE EMPEROR.

Another portion of this Sulu agreement sets forth how the King, who exists under the sovereignty of the

United States, shall make complaint to his master, the President of the United States. Article VI. says that "The Sultan shall be allowed to communicate direct with the Governor General of the Philippine Islands in making complaint against the commanding officer of Jolo or against any naval commander." And, of course, the Governor General reports it to the man who has absolute power over all these peoples, namely, William McKinley. You may call him President if you will, but he has all the powers of an Emperor. When Rome lapsed from a republic to an empire, they called the chief officer "Commander" (Emperor) instead of "King." They did this because the people knew what "king" meant; and today the President is not called "Emperor," for the people would understand its meaning, but all the power and attributes of an Emperor are conferred upon the Chief Executive, and they continue to call him President.

f. ENGLISH SYSTEM OF HANDLING SUBJECTS FULLY ADOPTED.

This Sulu agreement was made several months after the policy of empire was adopted by the Administration. We find in this agreement all of the evil features in the English system of empire, together with some that are even worse; for the English have not gone so low as to permit chattel slavery under the Union Jack.

Among the provisions in this remarkable Sulu agreement is one wherein the English system of handling subject races is fully adopted. See page 158, above.

7. DETAILS KEPT FROM THE PEOPLE OF THE UNITED STATES UNTIL AFTER ELECTION.

The foregoing agreement for chattel slavery, monarchy, polygamy, etc., was concluded between President McKinley and the Sultan on the 20th day of August, 1899. But the details were kept from the people until after election. This policy of suppressing the truth is part of the policy of empire. When McKinley delivered his annual message to Congress he withheld details from that body and from the people, and continued to withhold them until a Senate resolution forced their presentation to Congress and to the country. Proof of this charge is as follows:

In the Congressional Report of May 14, 1900, Hon. James M. Robinson, on the floor of the House, made the following statement, which was not contradicted by an Administration Congressman:

"This Sulu agreement, though a part of the President's 1899 message, was not placed within the reach of Congress at the time the message was delivered, but was withheld until February, 1900, and till forced by a Senate resolution, which the President answered with Senate Document 136, and in his message therewith said:

" 'Message from the President of the United States, transmitting, in response to resolution of the Senate of January 24, 1900, copy of the report and all accompanying papers of Brig. Gen. John C. Bates in relation to the negotiation of a treaty or AGREEMENT MADE BY HIM WITH THE SULTAN OF SULU on the 20th day of August, 1899.

" '*To the Senate of the United States:*

" 'In compliance with a resolution of the Senate of January 24, 1900, I transmit herewith a "copy of the report and all accompanying papers of Brig. Gen. John C. Bates in relation to the negotiation of a treaty or agreement made by him WITH THE SULTAN OF SULU on the 20th day of August, 1899."

" 'I reply to the request in said resolution for further information, that the payments of money provided for by the agreement will be made from *the revenues of the Philippine Islands*, unless Congress shall otherwise direct. Such payments *are not for specific services*, but are a part of the consideration moving to the Sulu tribe or nation under the agreement. WILLIAM MCKINLEY.' "

h. SYSTEM OF LICENSED SOCIAL EVIL, REJECTED BY THE BRITISH GOVERNMENT IS OPERATED UNDER McKINLEY.

A few years ago many of the women of America assisted the women of England in securing the abolition of licensed prostitution in connection with the British Army in England. But this system has been established under McKinley in Manila. The evidence which proves this is beyond question. The following evidence is published in the *New Voice*, of Chicago (Prohibition organ), August 23, 1900.

Publicity the First Step.

"The New Voice publishes the awful record given below only because desperate diseases require desperate remedies. The condition of things in Manila must be made known to the American public—to the Christian people of America in whose name these things are done. Fact can not be hinted at, but must be stated, and incontestable proofs must be offered. Silence, the veiling over of these things, that is what the perpetrators of these crimes would be only too glad to have. No man who has the real welfare of the nation at heart and knows these facts which we know can be excused for keeping silent or for speaking veiledly. This condition exists, and it must be remedied. Publicity is the first step toward the remedy. In words that the Old Voice made famous, 'There are twenty ways of putting out a fire, but shutting your eyes is not one of them.'"

EVIDENCE COLLECTED BY WM. E. JOHNSON, SPECIAL AGENT IN THE PHILIPPINES.

"With the advent of the American troops, there came abandoned women from every corner of the earth. H. S. Neuens, the Christianized Roumanian Jew, who organized the Purity Society of India and who has made an intelligent study of the conditions here, says that DURING THE FIRST YEAR OF THE AMERICAN OCCUPATION EIGHT HUNDRED PROSTITUTES CAME TO MANILA.

"*They came to assist in the great work of pushing civilization among the unregenerated Filipinos.*

Controlled by McKinley Administration.

Not a prostitute can land in Manila without the express permission of the United States military authorities. Officers of the military government board every ship and cross-examine each passenger before they are allowed to land. The passenger is questioned as to his business, plans and purposes before he is allowed to go ashore. It is widely advertised in the states that no prostitute is allowed to land, but no one in Manila regards this "rule" otherwise than as a joke.

Last year this rule was enforced in a few cases. A pack of abandoned women of San Francisco, who came with a great flourish of trumpets, were deported, and the fact was widely published. *Since then, it is common knowledge in Manila that women of this class who pay a "tip" of $50 to the custom house officers find no difficulty in getting ashore.* On the ship which brought me from Hong Kong were two of these characters, and everyone on board knew that their "fee" was paid the inspectors through the first mate. Instead of enforcing this so-called rule, the army officers have actually imported dissolute women, not only for the three canteen bagnios in Jolo, but also for use in this city, which I shall indicate specifically in another connection.

Extent of the Evil.

The best information that I can get in conversation with newspaper men, police reporters and officials is that there are now about 200 regularly licensed houses of prostitution in the city. In these establishments there are about 600 prostitutes who are under the direct control of the military authorities, who represent American "Christian civilization" here. This does not include the swarms of loose women who have rooms, and who prowl about the streets. It is simply the list of "ladies" who submit to a weekly examination by the United States military doctors and pay four pesos a week for the same.

Government Supervision and Inspection

The prostitution business of the city is conducted under the supervision of a regular department of the military government, the Department of Municipal Inspection. The chief of this "department of prostitution" is Captain Todd, who has under him a big staff of assistants, inspectors, doctors and flunkies of various sorts. This military bawdy house department is run on alleged scientific principles. A most rigid system of control, medical examination and official "inspection" is in force, the same

system which is advertised by zealots to "remove all danger of contagion of this sort."

No woman is allowed to open an establishment of this kind without express permission of the military authorities who dispense the blessings of "benevolent assimilation." Moreover, she is obliged to take out a wine and beer license at a cost of one hundred pesos for each six months. In addition to this, each inmate of the den is obliged to submit to a medical examination once each week by *the regularly authorized military physicians* and to pay four pesos for each examination. A book is given to each girl on the cover of which is her photograph and inside a bunch of blank "certificates of inspection."

When each examination is made, the officer fills out and signs a certificate that the party examined is "free from all venereal disease." [See photographic reproduction of certificates, next page.] Later in the day, along comes another inspector to see that the examination has been made, and makes another record of the fact.

In case the girl is found to be infected, the doctor hustles her off to the "Hospital de Inspeccion," where she is kept until well. While in the hospital, she must pay for her keeping. She is not allowed to take any treatment outside of the hospital, unless it be from a physician recommended by the superintendent who is also in the "push." The superintendent is careful to telephone to the doctor recommended. If the "lady" has not taken treatment there, the police are notified and she is arrested and escorted back to the regular hospital.

This examination fee of four dollars per week, paid by the women to the "Department," is said to go into a "fund to maintain the hospital." But when the hospital authorities are asked to explain *why the women are compelled to pay their way while there*, no information is forthcoming. It is "official business" which is of no "concern to the public."

"Reservation" Recommended.

About three weeks ago, Major Ira Brown, of the Military Board of Health, made an elaborate report to his superiors on the subject of official prostitution. He explained that the fearful prevalence of infamous diseases was attributable to the fact that frequently the numerous bagnios become so crowded with soldiers that the madams are forced to send out on the streets and byways to collect an additional assortment of girls to help entertain the crowds. He said that the diseases of this sort are usually contracted from this class of girls and not from the duly authorized official prostitutes. As a remedy for this deplorable state of affairs he urged that a "reservation" be set apart in the city for the exclusive use of this class of business people, this reservation to be divided into three sections; the first section was to be confined to American girls, the second section to foreign ladies and the third section to be reserved for native Filipino girls. This unprintable report has been favorably considered by those in power, and it is understood in newspaper and official circles that it is to be adopted. However, the full plan is not to be carried out until after election, since, if it were made public at this time, it might keep some of the Methodists from voting for McKinley.

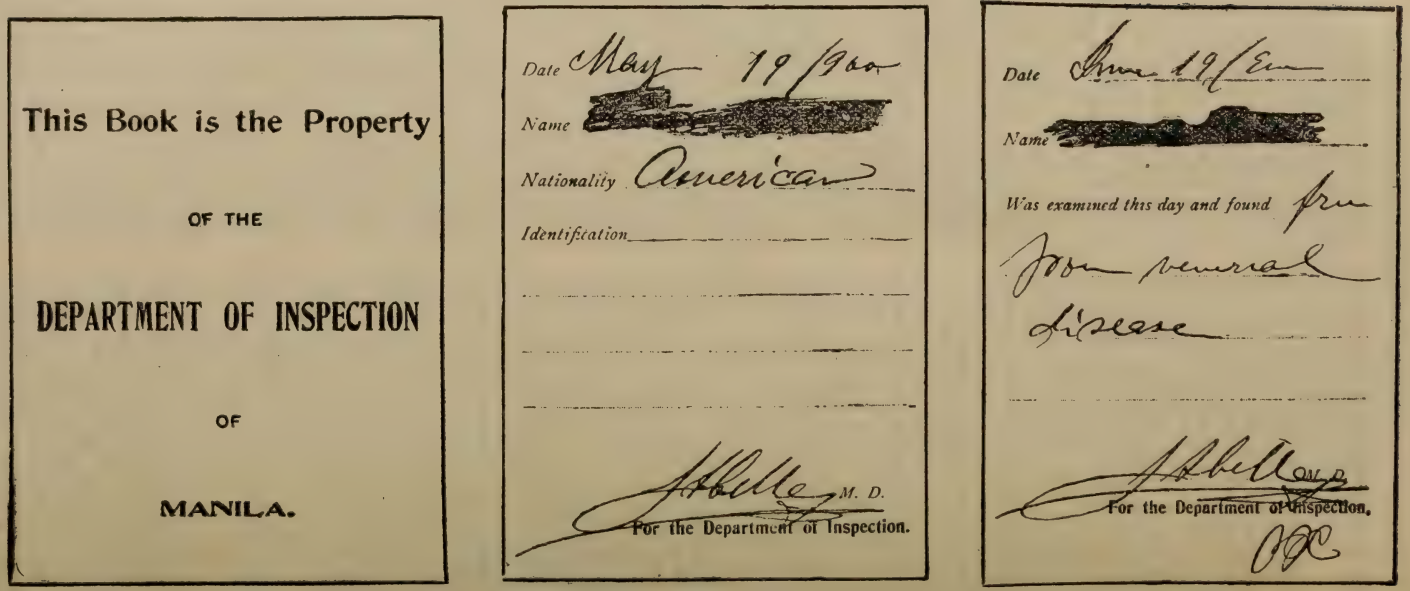
When the Americans took possession of the city, the bulk of the troops were quartered out near Sampalog, one of the best residence districts of the city. It was at the end of the street car lines and thereby convenient.

Straightway the prostitutes flocked to this section in droves. The orgies became so frightful that the Spanish families of the district began to lock up their houses and rent residences in other portions of the city. Now there are but few respectable families left in the vicinity. Two whole streets are wholly taken up with houses of ill repute. At night these two streets are filled with drunken soldiers, rioting, yelling Americans and half-naked women. In this settlement of lust, there is scarcely a house of prostitution which is not DECORATED WITH AMERICAN FLAGS INSIDE AND OUT. SOME OF THEM HAVE AMERICAN FLAGS PAINTED CLEAR ACROSS THE FRONT OF THEIR ESTABLISHMENTS. All have glaring signs of American beers either inside or out. While many of the inmates are Russians, Austrians and Roumanians, all vociferously declare that they are Americans and shout aloud for the American flag. The whole situation is thoroughly American. In the vicinity are the usual numerous saloons. All of these are advertised as "American saloons" and most of them have American flags painted across their front. It is a concrete revel of "American civilization."

The other streets of the vicinity are honeycombed with these resorts. Sam-

Photographic Reproduction of Certificates Used in McKinley's System of Licensed Social Evil:

Reproduced from "The New Voice," August 23, 1900.



For Detailed Description See Preceding Pages.

palog, instead of being a residence resort, is wholly given over to riot and lasciviousness. Only a few weeks ago, the head of one of the few remaining respectable Spanish families, a business man on the Escolta, abandoned his home there and moved to other quarters of the city. Like some others of the Spaniards who had fled, instead of locking up his home, he rented it for immoral purposes. The Spanish families remaining were in great disgust and attempted to organize a boycott on his business. They even visited the local daily papers to secure their co-operation.

Same System in Sulu.

In the Sulu archipelago, official houses of prostitution have been opened on the canteen plan. The beginning has been made at Jolo, and General Kobbe, who is in command of the district, is credited with being the promoter of the brilliant project.

IN THIS ARCHIPELAGO, AS WELL AS IN MINDANAO, HOUSES OF THIS SORT ARE UNKNOWN. WOMEN OF THIS CHARACTER ARE ALSO PRACTICALLY UNKNOWN. THE CHASTITY OF THE NATIVE MORO WOMEN IS SACREDLY PROTECTED. THERE IS NO SUCH THING KNOWN AS RAPE AND KINDRED OFFENSES. The natives are, moreover, the fiercest fighters in all the Philippines. The officers were afraid that the soldiers would get beyond control and make criminal assaults on the native women, as they had so frequently done in Luzon among the Tagals. They also knew that an assault of this sort meant a sure war with these "uncivilized people."

Accordingly, the authorities rented three houses and imported enough girls from Japan to stock them all. One house is reserved for the officers and the other two for the men. The girls are regularly inspected by the army surgeons and transact their business under their official direction. Some weeks ago disease broke out in one of the houses. The establishment was at once closed and a guard put over it. Two weeks ago the United States transport Warren visited Jolo and carried there from Cebu three companies of the Twenty-third Infantry. As quite a number of these soldiers were inoculated with vile diseases, the officers at Jolo temporarily closed their canteen house of prostitution and put a guard over each with orders to allow none to enter who did not wear shoulder straps. *The natives, who have never before seen a house of ill-fame, are much interested in the concern but watch their own girls with unusual vigilance.* They are afraid that they may become "civilized" by the Americans.

The Sulu group and the island of Mindanao comprise the largest half of the entire Philippines. Three days ago an officer friend of mine returned from an official visit to all of the garrisons of the district. He told me that, as yet, the American soldiers have taken absolutely no part in the government or affairs of the island, not even of the garrisoned towns. He said that they sit around "like bumps on a log," holding drills and band concerts. The natives regard them merely as guests and treat them as such. He said that the military authorities have abstained from taking any part in the government of the southern islands for the reason that when such a step is taken it means sure war with the fiercest fighters in the whole Philippines. *Therefore,* UNTIL AFTER ELECTION, the garrisons will continue to be simply "visitors," holding their band concerts, operating their official houses of infamy and swilling civilized beer at their canteens. It is in this way that the "war is over" in the richest half of the Philippine Islands.

Net Result.

After all of this "scientific regulation" of the social evil; after all the work of this military department of prostitution, with its hospitals, with its inspectors, with its staff of military physicians to inspect the girls and explain to them the scientific methods of conducting their trade, after all the registration, certification, examination and cross-examination, licensing and restriction, this ugly fact lifts its head above the horizon of the situation like a gigantic ghost:

"OF THE ONE HUNDRED THOUSAND TROOPS WHICH HAVE BEEN SENT HERE TO CIVILIZE THE NATIVES, SIXTY THOUSAND HAVE GONE THROUGH THE HOSPITALS. OF THESE SIXTY THOUSAND BOYS, TEN THOUSAND HAVE BEEN STRICKEN WITH INFAMOUS DISEASES. MOREOVER, THIS DISEASED HOST OF TEN THOUSAND SOLDIERS DOES NOT INCLUDE THOUSANDS OF OTHERS WHO TOOK PRIVATE TREATMENT OF LOCAL PHYSICIANS.

This is the net result of the plan of "regulating" social vice in the American army in the Philippines.

FURTHER EVIDENCE.

In the same issue of the New Voice is an article by Rev. Wilbur F. Crafts, in which he says:

"That the consequences of the liquor

traffic are *not decreasing* in the Philippines is shown not only by numerous communications from there since January, but especially by a letter from a Methodist missionary, whose absolute reliability is vouched for by the Rev. A. B. Leonard, D.D., Secretary of the Methodist Episcopal Board of Missions. This letter states that the writer has personally confirmed reports which he withheld until he could make investigation, to the effect that our military authorities have introduced in the Philippines, and even in the very presence of the Sultan of Sulu, that open and official sanction of prostitution which was prohibited in the British army through the protest of American women. He says:

"'There is a quarter set off by the commanding officer as the recognized resort of prostitutes. These women, mostly Japanese, are brought there with the knowledge and consent, if not approval, of the authorities; they are segregated, and only soldiers allowed to consort with them; sentries are posted at the entrance to keep peace and order and prevent the entrance of natives OR THE ESCAPE OF THE WOMEN, and it is a recognized institution of our military occupation."

i. ADMINISTRATION HAS DECREED A MILITARY OCCUPATION IN TROPICAL COUNTRIES WHICH LEADS TO

(1) Social Impurity.

As set forth in a preceding chapter, an army life and life in the tropical countries results in a tremendous increase in social impurity over that which obtains in business life in the temperate zone. The decree of McKinley that an American army of occupation shall remain in the tropics has resulted in a terrific increase in the evil just noted.

(2) Loathsome Disease and Degeneration.

(a) GENERAL STATEMENT BY EDWARD ATKINSON.

"A war of conquest *or any permanent occupation of tropical countries by white troops* brings not only fevers and malaria upon them of well-known kinds, but yet worse, more fatal and more certain to bring moral and physical degeneration upon them, *is the infection of venereal disease.*

* * *

"I know that this is a very unsavory subject and that I am using terms that are not commonly spoken aloud, but it happens that in the course of my social studies my attention has been called to this social evil, and I think I should be wanting in my duty if I did not call public attention to the dangers in the plainest way.

"To that end I lately addressed a letter to President McKinley, of which the following is a slightly condensed copy:

"'President William McKinley:

"'Sir: I venture to present a protest against any longer occupation of the Philippine Islands, of Cuba, and of Porto Rico, or the use of any larger forces than are needed to enable the people of these islands to frame and form a method of government under which personal liberty and individual right may be established, and to enter upon this undertaking.

"'THE GREATEST AND MOST UNAVOIDABLE DANGER TO WHICH THESE FORCES WILL BE EXPOSED WILL NEITHER BE FEVERS NOR MALARIA; IT WILL BE VENERAL DISEASE IN THEIR WORST AND MOST MALIGNANT FORM. It is this which has reduced the population of Hawaii to a degenerated remnant, four per cent of whom are isolated under sentence of death from leprosy; a disease of a similar type, perhaps not from the same cause, which gives evidence of the utter degeneracy of these poor people.

* * *

"'The records of the British army in India and China, and the condition of the English troops in Hong Kong, lately reported to me by an English gentleman who has been studying social conditions throughout the world, are horrible in the extreme. He stated that fifty per cent of the English troops in Hong Kong were infected with venereal disease every year. It is well known that while there may be an apparent cure this disease works corruption of the blood to the third and fourth generation, ending in degeneracy.

"'The records of the Medical Department and the testimony of the visitors to our own camps in this country, coupled with the observations of members of Congress with whom I have consulted, prove that this phase of the hell of war had taken firm hold of our troops even before they had been exposed to the greater hazard at their points of destination in Cuba, Porto Rico, and Manila.

"'It is no time to mince words or to forbear plain speech under a false sense of delicacy. These words must be spoken. This danger must be publicly named and these facts must be widely known, and the exposure of the corruption of the young blood of this nation must be stopped. It is not a pleasant duty, but I shall assume this duty. The final responsibility will rest upon yourself and all who have authority. Unless you would invite the execration of the mothers of our land and cause your administration to stand recorded in history with utter con-

demnation, you cannot ignore or slight these facts and this danger, which is an evil worse than death, worse than war; to try to ignore it and not provide against it in every possible manner by avoiding the inclusion of these islands in our domain will be to the disgrace of those who shall bring this danger of corruption of the blood upon our country—a greater disgrace than all other losses of honor combined.'"

After the foregoing was written, Mr. Atkinson received documents from England, a portion of which is as follows:

(b) ENGLISH STATISTICS—PARLIAMENTARY REPORTS ON THE EAST INDIA AND CONTAGIOUS DISEASES—1897.

(a1) REPORT OF DEPARTMENTAL COMMITTEE, PRESENTED TO PARLIAMENT.

"The Earl of Onslow, G.C.M.G., Chairman: * * *

"*Influence on the health of the population at home.*—Some of its victims are completely crippled, while the danger exists, in the case of each of them who may afterwards marry, that he may transmit to his wife and children a loathsome and horrible complaint. This danger is not indeed confined to the Netley invalids, but extends to a far larger and increasing number of men who annually come home with the seeds of constitutional disease in their systems.

"More than 13,000 British soldiers annually leave India, most of whom are eventually absorbed among the civil population at home. How large a proportion of these bring home the seeds of communicable and inheritable disease may to some extent be estimated from the following figures: It was ascertained that of 70,642 British soldiers serving in India on the 15th of July, 1894, 19,892, or 28 per cent, had been admitted to hospital for syphilis since arrival in India. Only 26,247 men, or 37 per cent, had never suffered, in or out of India, from any form of venereal disease. And all the evidence we have points to the existence of a still worse state of things since that date. Less than 4 per cent of these men are married. It is to be feared that a considerable number who have contracted disease marry afterwards, and are liable to transmit it to their wives and children. Nor is intercourse between the sexes the only means by which syphilis can be communicated. Doctors contract it in the performance of their duties. It may be caught through drinking out of a cup, or smoking a pipe, which has been touched by diseased lips; nurses can communicate it to infants, and infants to nurses. It is altogether a most easily communicable poison. The present condition of the army in India, with the enormous prevalence of venereal disease which has been shown to exist, yearly sending home thousands of men infected with constitutional taint, is therefore a great and growing source of danger to the whole community. The influence which it is liable to exercise upon the health of the home population is one of the gravest aspects of the whole question.

* * * * * *

"Further, a great amount of sickness and inefficiency not coming under the head of venereal disease (e. g., many cases of rheumatism, dysentery, heart disease, etc.) is well known to be attributable to, or aggravated by, the specific disease.

* * * * * *

"The hard fact remains that among a body of men mostly very young, and nearly all obliged by the conditions of the service to remain unmarried, removed from home ties and restraints into a country where climate and environments conduce to sexual indulgence, comparatively few are able to control the strongest passion in human nature, with the disastrous consequences, under present conditions, which the preceding paragraphs have described."

* * * * * *

(b1) FROM REPORTS OF COMMITTEES OF ROYAL COLLEGE PHYSICIANS, DR. WILKS, PRESIDENT.

"Your committee beg leave to report as follows:

"They have referred to a number of official and other reports and publications bearing upon the subject of the prevalence of venereal disease in the British army in India; and some of their number proceeded to Netley, in order to inspect the numerous patients at present under treatment in the wards of the Royal Victoria Hospital, with the view of personally ascertaining the nature and type of the disease from which they are suffering. On the day they visited the hospital it contained 752 patients, of whom 219 were syphilitic cases. The last troopship brought 312 invalids, among whom were 76 cases of syphilis. It is difficult to describe the painful impression made by the inspection of these sick soldiers. Almost every variety of constitutional syphilitic disease was represented, those of a virulent form being very numerous, and the results of the disease were in many cases

deplorable, while the appearance of the sufferers was most pitiable. The records of the hospital show that the number of such cases has largely and steadily increased in recent years, and that almost all have arrived from India.

* * * * * *

"The constitutional form of the disease is one of the most serious, insidious and lasting of all the contagious diseases that afflict humanity. Other contagious complaints, e. g., smallpox or scarlatina (which in this and other civilized countries are made the subject of legislative interference in the interest of the population at large), are transmissible only for a limited time and not by inheritance; yet the sufferers are separated during the course of the disease, and for as much longer periods thereafter as experience has found to be necessary for safeguarding others from infection. With syphilitic disease it is far otherwise: it is the most lasting in its effects and most varied in the character of its specific manifestations; it frequently gives rise to consequences far removed from its initial symptoms, most seriously implicating and affecting various organs of the body; it complicates other diseases; its contagious properties extend over lengthened periods of time, during which the sufferers are often a source of danger to innocent people, while they may be, and frequently are, as parents, the source whence specific infection is transmitted to their children.

"About 13,000 soldiers return to England from India every year, and of these, in 1894, over 60 per cent had suffered from some form of venereal disease. These figures are quoted as showing more forcibly than words can the risk of contamination, not only to the present population of this country, but also to its future generations. Of these men a number die, or, remaining invalids, are more or less incapacitated from earning their own livelihood, and thus become a burden on the rates."

(3) Drunkenness and Lawbreaking.

Military life tends to drunkenness, and this evil *is further accentuated where the troops are kept in tropical countries.* The condition of our army in the Philippines is set forth in the Army Reports. The following digest of the first annual report of Major John A. Hull, Judge-Advocate of the Department for the Philippines, is thus stated by William E. Johnson, Special Commissioner in the Philippines of the New Voice, under date of Manila, May 25, 1900:

"This report makes an astounding showing of the criminal record of the army and the Americans in the Philippines. The report covers the period up to the close of the fiscal year of June 30, 1899, *an actual period of ten and one-half months.*

During this period, there was an average number of 21,078 enlisted men in the command, yet during this time there were 12,481 cases of court-martial of various sorts. These were divided as follows:

12,481 CASES OF COURT-MARTIAL.

General court-martials	*565
Garrison court-martials	3
Summary court-martials	11,902
Trials by military commission	11
Total	12,481

*Two of these were officers.

The 11,902 trials by summary court-martial represents 7,090 different men. *On this official showing* A FULL THIRD OF ALL THE SOLDIERS WHO WERE SENT HERE TO TEACH CIVILIZATION WERE ARRESTED AND TRIED FOR CRIME OR MISDEMEANOR BEFORE THE FIRST ELEVEN MONTHS OF THE AMERICAN OCCUPATION WERE COMPLETED. Besides this, the report shows 137 desertions from the American ranks during the same period.

A detailed examination of the reports concerning court-martials shows that there were held AN AVERAGE OF 38 COURT-MARTIALS A DAY FOR THE ENTIRE PERIOD, among the average total of 21,078 soldiers.

J. BRUTALIZING EFFECTS OF WAR.

A little more than two years ago the American people were keenly sensitive to impressions of the horrors of warfare, and were affected deeply and visibly by the actual happening of what they knew must happen, and were in a measure prepared to look upon as inevitable incidents. When Ensign Bag-

ley was killed by a Spanish shell in the first naval skirmish of the war the whole country was shocked and grieved. It was the shock of realization in the concrete of the abstract mental proposition that war means blood, wounds, the mangling of human flesh, agony of body and mind, murder and sudden death. To every mind came the grievous picture of Bagley's torn body lying upon the deck, and sympathetic sorrow for the despairing woe of those to whom he was dear clutched every heart.

But since then the daily reading of the news columns, which set forth the details of the slaughter of scores, hundreds and thousands of human beings, and the looking at pictures representing the horrible details have resulted in dulling the sensibilities of the people. It has inured them to the horrors of war. Today the reports of the killing of soldiers are the common items of the routine news *and to nearly all our people they have become mere statistics.* The names of the victims are not looked at unless contained in a head-line. The exception is where one's friends or relatives are at the front. Even the death of an eminent officer claims but a moment's attention.

Not only have the people's sensibilities been dulled, but the details have roused the barbarious instincts. From the many manifestations of the latter, the following have been noted.

Brutal Instincts Aroused.

Miss Jane Addams, the noted philanthropist and student of society, in an address at Central Music Hall in Chicago, April 30 of last year, declared:

For ten years I have lived in a neighborhood which is by no means criminal, and yet during last October and November we were startled by seven murders within a radius of ten blocks. A little investigation of details and motives, the accident of a personal acquaintance with two of the criminals, *made it not in the least difficult to trace the murders back to the influence of the war.* Simple people who read of carnage and bloodshed easily receive its suggestions. Habits of self-control which have been but slowly and imperfectly acquired quickly break down under the stress.

Psychologists intimate that action is determined by the selection of the subject upon which the attention is habitually fixed. The newspapers, the theatrical posters, the street conversations for weeks had to do with war and bloodshed. The little children on the street played at war, day after day, killing Spaniards. The humane instinct, which keeps in abeyance the tendency to cruelty, the growing belief that the life of each human being—however hopeless or degraded—is still sacred—*gives way, and the barbaric instinct asserts itself.*

It is doubtless only during a time of war that the men and women of Chicago could tolerate whipping for children in our city prison, and it is only during such a time that the introduction in the legislature of a bill for the re-establishment of the whipping post could be possible. NATIONAL EVENTS DETERMINE OUR IDEALS, AS MUCH AS OUR IDEALS DETERMINE NATIONAL EVENTS.

Further evidence of the brutalizing effects of war are the increased number of mobs and lynchings. These began in the South and are now spreading through the Northern States. In New York we again have the negroes chased and lynched by white men, and the same is taking place in Ohio and Indiana. In the West, the Idaho atrocity in the shape of military law has continued in Shoshone county for over a year. This would not have been permitted were the public mind not engrossed with war and conquest abroad.

And the trusts are continuing their conscienceless sway in a manner that would not be permitted were the public mind concentrated upon home problems. The possibility of overthrowing the Republic would have been much more remote had peace continued. But the brutalizing passions of a large number of our people are aroused and we daily hear expressions which would not have been thought of under a regime of peace. Verily, it is true that "National events determine our ideals as much as our ideals determine national events."

McKINLEY'S NULLIFICATION OF ANTI-CANTEEN LAW.

The following data and argument are furnished by a Prohibitionist:

Prohibition States Protected by Law.

On June 30, 1890, Congress passed an act containing the following provision relating to the army canteen:

"No alcoholic liquors, beer or wine, shall be sold or supplied to the enlisted men in any canteen or post trader's store, or in any room or building or any garrison or military post, in any state or territory *in which the sale of alcoholic liquor, beer or wine is prohibited by law.*"

In spite of this law, canteens were established during the Spanish war at Chickamauga, Montauk Point, and other places under prohibitory law. Canteens are still maintained in army posts in prohibition states.

The Spanish War.

In April, 1898, war was declared against Spain. With the crowding of thousands of recruits fresh from farms and factories and stores, from homes and mothers' love, into army camps; with the army canteen and its temptations forced upon them, the horrors of that institution became vividly portrayed before the public mind, and the people were aroused. President McKinley was appealed to to stop the canteen's awful work, as he had authority to do, but he refused to interfere.

Army Officers Testify.

Army officers expressed themselves freely with regard to the canteen. Among those who condemned it were Generals Miles, Wheeler, Shafter, Sternberg, Wilcox, Rochester, Boynton, Carlin, Lee, Howard, Henry, Stanley, Harries, Carr, Graham, Bliss, and others.

The only army general who at that time attempted a defense of the canteen was General Eagan, of army beef infamy.

Long Cleanses the Navy.

On February 3, 1899, Secretary Long of the Navy Department issued the following order:

"After mature deliberation, the (navy) department has decided that it is for the best interests of the service that the sale or issue to enlisted men of malt or other alcoholic liquors on board ships of the navy, or within the limits of naval stations, BE PROHIBITED.

"Therefore, after the receipt of this order, commanding officers and commandants are forbidden to allow any malt or other alcoholic liquors to be sold to or issued to enlisted men, either on board ship or within marine barracks, except in the medical department.

JOHN D. LONG, Secretary.

Congress Acts.

Failing to arouse the President to action, the people turned to Congress for relief. Petitions poured in upon the national law making body by the carload, and the result was the enactment of Section 17 of the army reorganization bill, which read as follows:

"No officer or private soldier shall be detailed to sell intoxicating drinks, as a bartender or otherwise, *in any post exchange or canteen, nor shall any other person be required or allowed to sell such liquors in any encampment or fort, or on any premises used for military purposes* by the United States, and the secretary of war is hereby directed to issue such general order as may be necessary to carry the provisions of this section into full force and effect."

Griggs' Fine Work.

The Administration *sought for an evasion of the law*, AND GRIGGS, ATTORNEY GENERAL, FOUND IT. It was small, and extremely dirty, but he found it—or rather made it. In a lengthy opinion he made the following interpretation:

"The result of these reflections is, then, that *this section does not prohibit the continuance of the sale of intoxicating drinks through the canteen* section of the post exchanges, as heretofore organized and carried on." * * *

Dissenting Congressmen.

Congress itself was astonished at the opinion of the Attorney General, no less than the people. From a large number of opinions of Senators and Representatives the following brief extracts are given:

Senator Thurston, of Nebraska (Republican): "The language of the section seems to be clear in its intent, and in my judgment it prohibits the sale of intoxicating liquors by any one at the places described."

Senator Frye, of Maine (Republican): "I am not in accord with the opinion of the Attorney General as to the effect of the law passed touching canteens in the army. I know that the intention of the Senate was to abolish the canteens so far as the sale of all kinds of liquors was concerned, and my opinion is that the law had that effect."

Representative Henry, of Connecticut: "It is quite at variance with what I believe was the intent of Congress in abolishing the canteen system."

The President Supports Griggs.

Secretary Alger eagerly followed the suggestion of the Griggs opinion, whereupon the people turned again to the President. After burying the appeal for several months under "consideration," *the President announced that the law must stand as interpreted by Griggs.*

Thus, under the act of 1875, the President has authority to abolish the can-

teen and is responsible therefore for its continuance. He is also responsible for the nullification of the law of Congress, prohibiting the canteen, and for the continuance of the canteen in defiance of the law.

(2) Arraignment of McKinley in Platform of Prohibition Party.

3. We charge upon President McKinley, who was elected to his office by appeals to Christian sentiment and patriotism almost unprecedented, and by a combination of moral influences never before seen in this country, that, *by his conspicuous example as a wine drinker at public banquets and as a wine-serving host in the White House*, he has done *more* to encourage the liquor business, to demoralize the temperance habits of young men, and to bring Christian practices and requirements into disrepute, *than any other President this republic has had.* We further charge upon President McKinley *responsibility for the army canteen*, with all its dire brood of disease, immorality, sin, and death, in this country, in Cuba, in Porto Rico and the Philippines; and we insist that by his attitude concerning the canteen, and his apparent contempt for the vast number of petitions and petitioners protesting against it, he has outraged and insulted the moral sentiment of this country in such a manner and to such a degree as calls for its righteous uprising and his indignant and effective rebuke.

We challenge denial of the fact that our Chief Executive, as commander-in-chief of the military forces of the United States, at any time prior to or since March 2, 1899, *could have closed every army saloon, called a canteen, by executive order, as President Hayes in effect did before him*, and should have closed them, for the same reason that actuated President Hayes; we assert that the act of Congress, passed March 2, 1899, forbidding the sale of liquor "in any post-exchange or canteen," by any "officer or private soldier," or by "any other person, on any premises used for military purposes in the United States," was and is as explicit an act of prohibition as the English language can frame; we declare our solemn belief that the Attorney General of the United States, in his interpretation of that law, and the Secretary of War, *in his acceptance of that interpretation and his refusal to enforce the law*, WERE AND ARE GUILTY OF TREASONABLE NULLIFICATION OF SUCH INTERPRETATION AND REFUSAL ON THE PART OF OFFICIALS APPOINTED BY AND RESPONSIBLE TO HIM, SHARES RESPONSIBLY IN THEIR GUILT; and we record our conviction that a new and serious peril confronts our country, in the fact that its President, *at the behest of the beer power, dare and does abrogate a law of Congress*, through subordinates removable at will by him, and whose acts become his, and thus virtually confesses that laws are to be administered, or to be nullified, in the interest of a law-defying business, by an administration under mortgage to such business for support.

4. We deplore the fact that an administration of this republic, claiming the right and power to carry our flag across the seas, and to conquer and annex new territory, should admit its lack of power to prohibit the American saloon on subjugated soil, or *should openly confess itself subject to liquor sovereignty under that flag.* We are humiliated, exasperated and grieved, by the evidence painfully abundant that *this Administration's policy of expansion is bearing so rapidly its first fruits of drunkenness, insanity and crime under the hot-house sun of the tropics;* and when the President of the first Philippine Commission says, "It was unfortunate that we introduced and established the saloon there, *to corrupt the natives and to exhibit the vices of our race*," WE CHARGE THE INHUMANITY AND UNCHRISTIANITY OF THIS ACT UPON THE ADMINISTRATION OF WILLIAM MCKINLEY AND UPON THE PARTY WHICH ELECTED AND WOULD PERPETUATE THE SAME.

5. We declare that the only policy which the Government of the United States can of right uphold as to the liquor traffic, under the National Constitution, upon any territory under the military or civil control of that Government, is the policy of prohibition; that "to establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity," as the Constitution provides, the liquor traffic must neither be sanctioned nor tolerated, and that the revenue policy, which makes our Government a partner with distillers and brewers and barkeepers, is a disgrace to our civilization, an outrage upon humanity, and a crime against God.

We condemn the present administration at Washington because *it has repealed the prohibitory laws in Alaska,*

and has given over the partly civilized tribes there to be the prey of the American grog-shop; and because it has entered upon a license policy in our new possessions *by incorporating the same*, in the recent act of Congress, *in the code of laws for the government of the Hawaiian Islands.*

Increased Exportation of Liquors.

We call general attention to the fearful fact that exportation of liquors from the United States to the Philippine Islands increased in value from $337 in 1898 to $467,198 in the first ten months of the fiscal year ending June 30, 1900; and that while our exportation of liquors to Cuba never reached $30,000 a year previous to American occupation of that island, our exports of such liquors to Cuba during the fiscal year of 1899 reached the sum of $629,855.

(3.) Endless Chain of Prayer Against McKinley.

INDIANAPOLIS, Aug. 28.—The executive officers of the Indiana Women's Christian Temperance Union have adopted a novel plan for campaigning against President McKinley, their opposition to him being based on his alleged approval of the army canteen system. The plan is unique in American politics, and is called the "Presidential prayer chain pledges."

The scheme is to inaugurate an endless chain of prayers by having the woman addressed make prayer herself and send the pledge to two of her women friends, each of whom will start to pray and will send similar letters to two of her friends. The praying is to continue until election day. If the plan succeeds half the women in the United States will be praying for McKinley's defeat at election time. Here is a copy of the pledge:

Whereas, William McKinley has shown that he prefers the favor of the liquor men of this nation to that of the millions of Christian people who petitioned him to blot out the canteen scourge from the army; therefore I pledge myself as follows:

First—I pledge myself that I will until election day make it a special subject of prayer to my heavenly Father that he will give to the United States a better man for the presidency for the next four years; one who will keep wine off the White House table; who will be a total abstainer himself, and who will do what he can to overthrow the liquor traffic.

Second—I further pledge myself to make at least two copies of this letter, and mail one copy to some sister in the State in which I reside and the other copy to some sister in some other State.

On the bottom margin of the pledge is the biblical citation, Matthew xviii:19.

(4.) Roosevelt on Prohibitionists.

"The political Prohibitionists of the present day who go into the third party organizations are, not even excepting the saloon keepers themselves, the most efficient allies on whom intemperance and the liquor traffic can count."

C. ACCENTUATION OF EVILS AT HOME.

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1. Inefficient and Scandalous Administration

a. CAUSES.

(1) Irresponsible Despotism Tends to Permeate All Branches of the Public Service

The change in the form of government from an executive, with powers strictly limited by the Constitution and laws of Congress, to one which frequently violates the Constitution, repeals by mere decree the binding powers of the laws of Congress, cedes territory and citizens to England, "tempo-

rarily," without the consent of the Senate, and under express authority from Congress governs at will and without restraint 10,000,000 people on the other side of the globe, *is an irresponsible despotism.* And *this irresponsibility tends to permeate all the departments of the Government.* This means that the subordinates of the President grant favors to the trusts and to others who will pay for them, and that incompetent favorites are continued in positions.

This accounts for the canned-beef scandal in the army, and the other scandals in connection with the inefficient and inhuman treatment of our soldiers in camp, hospital and in the field, and likewise for the lapse of our soldiers to barbarism in the treatment of the people in the Philippines. These people came within the power of the soldiers and they frequently acted the tyrant just as their superiors were doing. The refusal to take prisoners and the unnecessary slaughter, reports of which have come to us in spite of a censored press, are largely the result of the spirit of despotism and irresponsible power which has permeated from the President. Each subordinate tends to imitate his superiors.

(2) Civil Service Rule Largely Repealed.

Among the other infamous acts of our Executive, whose actions are not limited by the Constitution nor by the laws of Congress, is a decree of about eighteen months ago which repealed an important section of the Civil Service Regulations, *thereby throwing open to the favorites of the Administration and to the "bosses" and their "heelers" about* 10,000 *offices out of* 60,000, and as to the remaining offices the spirit of the merit system is badly injured. The Civil Service Commissioners are removable at the will of the President, and he did not consult them before throwing down the bars for his party bosses and their favorites. Of this act of McKinley, the Civil Service League declares:

Evil Doings Exposed.

(a) That the President's modifying order withdrew 3,693 offices and positions from the open competitive class.

(b) That it transferred 6,416 other positions, filled hitherto through a competitive registration system under the Civil Service Commission, to a system "to be devised and placed in effect by the Secretary of War."

(c) That the great majority of positions excepted are those for which experience has proven competitive examinations and merit tenure not only practicable, but highly desirable.

(d) That it declares regular 1,000 temporary appointments made without examination, in branches not affected by the order and remaining nominally competitive.

(e) That it permits the permanent appointment without examination of persons employed temporarily during the war with Spain.

(f) That it so orders the rules that in future any person appointed with or without competitive examination may be transferred without regard to the character or similarity of the positions interchanged, after a "pass" examination only.

(g) That it permits the reinstatement within the discretion of the respective department officer of persons separated from the service for stated causes, at any previous time.

(h) That it condones many outrageous violations of the law committed during the past two years; and,

(i) That it is to be considered in its relations to the failure of the Administration, not only to enforce the law "thoroughly and honestly," but to extend its operation where extensions have been plainly "practicable."

OTHER EVIDENCE OF DEGENERATION.

The entire corps of census takers is selected by favoritism—the merit system does not apply to a single office.

The government of Alaska is by the appointees of the Republican bosses, and therefore exempted from the merit system and legally placed upon a basis of favoritism. The excuse offered by Secretary Gage is "because of its great distance from Washington." Presumably the same excuse applies as to the Philippines.

(3) Appointment of Incompetent Favorites and Their Retention.

A third cause of inefficiency and scandalous administration is the appointment of incompetent favorites and their retention. For example, during the war with Spain McKinley appointed to important positions his favorites and those of his party bosses, without regard to efficiency, and with results shown by the dreadful conditions in military camps and hospitals and the tremendous losses through disease and privations. In the navy favoritism did not prevail so largely and there was greater efficiency.

b. RESULTS.

In the public service under McKinley the foregoing causes of inefficiency and scandalous administration resulted in the accumulation of evils such as were never before experienced in our history. An intimation of what it has amounted to is the fact that in the Spanish war the number who died from disease and privation was greatly in excess of the deaths caused by the enemy.

Further evidence of the character of the service is Col. Roosevelt's letter to his commanding general, and the "round robin" signed by all the American general officers under Shafter. The report of the commission which examined into the embalmed beef scandal exposes the system which prevailed under this imperial Executive. And when General Eagan, of embalmed beef fame, was removed from office and the verdict of the court-martial appointed by McKinley was that he be suspended and his salary stopped, McKinley altered the sentence so as to continue Eagan *with full pay* while suspended from rank and duty for six years.

In Cuba the salary of Gen. Brooke and several other officers was doubled, the Cubans being taxed to pay one full salary while the officer drew the same amount as regular salary from the United States Government.

2. Suppression of the Truth.

a. THE NECESSITY.

Where the few govern the many it is absolutely essential that the truth be kept from the many. Therefore, wherever the few are in control there is always present a large amount of deceit, trickery and other forms of concealment.

Since the Administration has entered upon its policy of conquest, thereby going contrary to the most sacred traditions of the people, it has resorted to all kinds of deceit, trickery and concealment. The truth has been suppressed at every possible point. The following are some of the instances:

b. CENSORSHIP.

Everyone knows of the censorship of Manila cable dispatches. Today, with a national election pending, we are unable to tell what is the condition of affairs in the Philippines. The National Liberty Congress, composed principally of Republicans and Gold Democrats, who voted for McKinley four years ago, unite in saying:

"We believe that the greatest safeguard of liberty is a free press, and we demand that the censorship in the Philippine islands which keeps from the American people the knowledge of what is done in their name, be abolished. We are entitled to know the truth, and we insist that the powers which the president holds in trust for us shall not be used to suppress it."

The War Department at Washington has altered the wording of important cablegrams in order to suppress the truth and thus keep the people in ignorance. (Page 134 above.) And the State Department has suppressed the truth. (Page 134 above.)

President McKinley has repeatedly suppressed the truth. (See preceding pages.)

c. SUMMARY AS TO SUPPRESSION OF TRUTH.

In view of the foregoing, do the American people believe that this war of foreign conquest has been conducive to sound morals and good government, or that a people can retain self-government and at the same time wage wars of foreign conquest? Hear the summing up of Congressman Lentz, of Ohio, on the floor of the House last March:

"I insist upon it that our imperialistic policy is a policy that requires a censored press, requires suppression of the truth and the facts, and therefore that imperialism is a shameful policy and resorts to falsehood and secrecy, fit instruments and emblems of all those who work in the dark and are guilty of criminal aggressions."

3. War Taxes and Cost of War.

The expenditure of the United States Government IS ABOUT DOUBLE WHAT IT WAS BEFORE THE SPANISH WAR COMMENCED. Then it was $25 per family of five, while now it is $50. THIS WILL BE INCREASED by the pensions arising from death, injury or disease of our soldiers; erection of fortifications in the territory abroad; building of military roads; river and harbor improvements, etc. *But greatest of all will be the cost of wars which will rise from international complications incident to a policy of conquest and foreign alliance, and the cost of the necessary preparations at home in anticipation of these evils.*

4. Private Taxation.

But the public taxation on account of foreign conquest is only a small fraction of the tax which the people have to pay. Every penny which the trusts and other monopolies filch from them beyond what the competitive price would bring, is *a tax for private purposes.* A private tax is much worse in principle than a public tax without representation, for in the case of the public tax the funds are used for the benefit of all, but in the case of a private tax it all goes into the pockets of the few.

Private monopolies have increased by leaps and bounds since the policy of empire was entered upon. Congress is more fully under the sway of the powerful few than it was while nothing but domestic questions were before the country. Now the people's attention is taken with foreign wars and rumors of wars, and while their attention is thus diverted the monopolists at home are extending their power in all directions. Private Monopoly and Foreign Conquest go hand in hand. Each helps the other. For further showing see the "Surplus of Goods" argument—an argument for conquest; page 100 above.

5. Subversion of Industrial Liberty.

With the fostering of private monopoly that is taking place under the existing government there is a greater and greater subversion of industrial liberty. The workingmen and salaried men are rapidly becoming a species of slaves to the few who control the all-powerful private monopolies. There is but one way to stop this growing power of private monopoly, with its policy of foreign conquest, and that is, to take the government out of the hands of the private monopolists—you must vote against Hanna's candidates.

6. Loss of Self-Government at Home.

With the development of the imperial power abroad there has been a corresponding loss of self-government at home. This is pointed out at page 157 above. If the American voters do not go against the Administration in a tidal

wave there is no telling what it will do in the way of counting itself into office, using, if necessary, the bayonets of the regular army. Bear in mind fully the extent to which the power of the President has been augmented since he has been placed in sole charge of 10,000,000 people in the Philippines, conducting a war in their land, and at the same time he has been governing by military law the laboring men in Shoshone county, in Idaho, for more than a year. This military rule the people of the United States would not have permitted had there been no foreign war to take their attention.

D. ALLIANCE WITH THE IMPERIAL GOVERNMENT OF ENGLAND.

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1. The Incentive.

When individual men go out to conquer they combine, and when nations start out on a similar errand they also combine. The leading men in the British Government are unprincipled marauders against weaker nations but they have succeeded in forming an alliance with their blood-relations—McKinley and the men who today surround him in the United States Government.

2. The Form.

The form of this alliance is not in the usual order, for that requires the consent of two-thirds of the Senate. There is also a deep-rooted sentiment in this country that foreign alliances should not prevail; furthermore, a large number of our citizens are German, French, Scandinavian or Irish, and all of these are opposed to the British government, therefore the alliance between our Imperial Executive and the Imperial Government of England was necessarily made in secret, but its existence has been divulged, and some of the proofs are as follows:

3. Proof of Alliance.

Joseph Chamberlain, the British Colonial Secretary, in a speech on the subject, delivered the 13th of May, 1898, before the British Liberty Unionist Association, confessed the isolation of Great Britain in European politics and the importance of cultivating the close friendship of the United States, making no attempt to conceal the selfishness of his purpose. He said:

"What is our first duty under these circumstances? I say without hesitation that the first duty is to draw all parts of the Empire close together—to infuse into them a spirit of united and imperial patriotism. We have not neglected our primary duty. We have pursued it steadfastly and with results that are patent to all the world. Never before in the history of the British Empire have the ties with our great colonies and dependencies been stronger. What is our next duty? It is to establish and to maintain bonds of permanent amity with our kinsmen across the Atlantic."

He then described the similarity of language, of law, literature and of race, and our interests in "humanity," and said:

"I do not know what arrangements may be possible with us, but this I do know, and fully: that the closer, the

more cordial, the fuller and more definite these arrangements are, with the consent of both people, the better it will be for both and for the world—and I even go so far as to say that, terrible as war is, even war itself would be cheaply purchased if in a great and honorable cause the Stars and Stripes and the Union Jack should wave together over an Anglo-Saxon alliance. Now it is one of the most satisfactory results of Lord Salisbury's policy that at the present time these two great nations understand each other better than they have ever done since, more than a century ago, they were separated by the blunder of the British Government."

After the above declaration of policy by Mr. Chamberlain, the British Colonial Secretary, who is responsible for the war in the South African Republic and the destruction of that Republic, steps were taken in Great Britain and in the United States to organize an Anglo-American League.

The Anglo-American League:

IN ENGLAND.

On June 3, 1898, a banquet was held at the Hotel Cecil in London, attended by Englishmen and Americans, at which was inaugurated a movement looking to the establishment of such a league. Lord Bernard Coolidge presided at the banquet. Col. Taylor, President of the American Society in London, and several hundred of the British nobility and the American colony in London were present. A number of speeches were made on the subject of British-American sympathies and a British-American alliance. Col. Taylor said: "As you have stood by us in our day of trial, when your day of trial comes, you may count on us." Lord Brassey referred to the ties between Great Britain and the United States as closer than any written alliance—ties which could not be broken.

On the 13th of July, 1898, the British branch of the Anglo-American League was formed at the residence of the Duke of Sutherland, Stafford House in London. This organization included a great array of the nobility of England, the high dignitaries of the English Church, Englishmen of letters and most of the leading men of Parliament, with the exception of the Irish Unionists, who did not participate. On that occasion and on the occasion of the Fourth of July celebration of the American Society in London, significant utterances, declaratory of the perfect understanding between Great Britain and the United States were made by distinguished Englishmen.

IN THE UNITED STATES.

This movement was followed by a similar one in the United States, in which Mr. Whitelaw Reid, who had been the special envoy of this government to the Diamond Jubilee of Queen Victoria, took the initiative. At the meeting at Mr. Reid's house speeches were made and a committee was appointed to form an American branch of the Anglo-American League. It was composed of leading Republicans and of men who had deserted the Democratic party in 1896 and allied themselves with the McKinley administration and its followers.

Senator Depew, while in England, recently cabled to the editor of Postmaster-General Smith's newspaper:

"The United States and England go hand in hand. This sentiment contemplates peace, arbitration, and, without any political alliance, HARMONY OF ACTION THROUGHOUT THE WORLD, on all questions involving civilization, humanity, and the rescue of kindred."—(Cablegram of July 27, 1900.)

4. Some of the Results of the British Alliance.

a. SURRENDER OF ALASKAN TERRITORY—AMERICAN FLAG HAULED DOWN.

Our Imperial Executive has surrendered to Great Britain some of our Alaskan territory and has hauled down the American flag. *All this has been done without the consent of the Senate.* This is a new move, but it has worked.

It is this: The Alaskan boundary dispute has been settled by the "temporary" delivery to Great Britain of a vast strip of territory. It means, of course, the final giving up of the territory by McKinley and his Administration.

b. PROPOSED SURRENDER TO ENGLAND OF NICARAGUA CANAL.

An additional link in the chain of evidence as to the existence of an alliance between the leaders in the British Government and the Government of the United States, is the proposed surrender to the English of the American rights in the Nicaraguan Canal. The proposed Hay-Pauncefote treaty makes it impossible to construct an American canal.

c. BRITISH WAR AGAINST BOER REPUBLICS.

(1) Object.

The object of the fight against the Boers is thus stated by Chamberlain in the House of Commons, in replying to a question:

"The Transvaal (Republic) and the Free State (Republic) have an Ideal "*that is dangerous to Great Britain.*"

This ideal is equality before the law and the overthrow of special privilege, which includes the "Divine right of kings" and the legal titles and exemptions of the numerous Dukes, Earls, etc. *The special privilege class in England are trying to wipe the Republics off the earth, and our Imperial Executive* IS ASSISTING THEM, AND HAS SUCCEEDED IN OVERTHROWING THE YOUNGEST REPUBLIC —that of the Philippines—and today he is holding its people as subjects.

Chamberlain's declaration that the Republic ideal is dangerous to Great Britain was reiterated by the Queen of England. In proroguing Parliament a few weeks ago she said:

"Believing that the continued *political independence of the Republics* would be a constant danger to the peace of South Africa, I authorize the annexation of the Orange Free State," and within a week Lord Roberts has proclaimed the annexation of the Transvaal.

Thus have three Republics been destroyed within two years, and the Republic of the United States is also destroyed, *in so far as the elected representatives can do so,* for they are holding subjects. But it remains for the people of the United States to declare at the coming election whether they ratify the holding of the people of the Philippines and Porto Rico as subjects. *If they do, they overthrow the Republic and go back to the Old World idea of* UNEQUAL RIGHTS IN THE GOVERNING POWER AND UNEQUAL RIGHTS BEFORE THE LAW.

(2) McKinley's Assistance to England in War Against Boer Republics.

McKinley has not only refused to express sympathy for the Boers in their struggle to retain their Republic, but he has given England positive assistance by permitting her to purchase horses and other munitions of war in this country. Furthermore, our Imperial Executive's Government has placed at the disposal of the British the archives in at least one of its departments. This was in order *to influence public sentiment* AGAINST *the Boer Republic.* Commissioner Harris, of the Department of Education, ordered his clerks to select 4,000 names of prominent men and women in educational circles, and *mail to each a pamphlet entitled* "THE BRITISH CASE AGAINST THE BOER REPUBLIC." It, of course, misrepresents the Boers. It is gotten out by "The Imperial South African Association," the membership of which, as shown by the pamphlet, consists of Dukes, Earls, etc. Among the terms of peace proposed by these men, men who hold their titles from the Government in violation of our doctrine of equality before the law, *is that that the two Republics must be destroyed.* To use

their own words, "THE TWO REPUBLICS MUST BE PERMANENTLY AND COMPLETELY INCORPORATED IN THE BRITISH EMPIRE UNDER THE UNION JACK." That is the kind of literature that has been circulated by McKinley's Department of Education, and to selected names. This document would not have been sent out by our Educational Bureau if its Chief had not been fully satisfied that the President was anxious to aid in upholding British supremacy in South Africa, and wherever else it chooses to assert itself. The evidence proving this beyond all question is the investigation of Congressman Lentz, and the details are set forth in the Democratic campaign book.

The active assistance to England, and the downright giving to her of our property and rights, demonstrate that McKinley is in alliance with England, and is going "hand-in-hand" with Her Majesty's servants. In the words of Senator Wellington, the Anti-Imperialist Republican Senator, "I say to you that in my judgment McKinley is the pro-consul of the English Queen in the management of American affairs."*

E. THE ABANDONMENT OF THE MONROE DOCTRINE AND DEVELOPMENT OF MILITARISM.

1. Statement of the Case.

With the adoption by the United States of the policy of conquest abroad there was necessarily abandoned the doctrine that European nations shall not annex American Republics. But if the voters shall spurn the new policy of conquest and reaffirm the Monroe Doctrine, they can extend it to the Republic of the Philippines. On the other hand, if they vote for conquest the Monroe Doctrine is annihilated, and one after another the republics on this continent will be conquered by this Government and its sister empires in Europe. This would necessitate our carrying a burden of militarism greater than that under which Europe is now staggering.

This brings clearly to view THE TWO GREAT TENDENCIES WHICH ARE STRIVING FOR MASTERY IN THIS CAMPAIGN. They are considered at page 160, above.

2. Race Degeneration.

The following is from an address at All Souls Church, Chicago, March 4, 1900, by David Starr Jordan, Ph. D., President of Leland Standford University, California. He points to one of the main causes of the degeneration which has always followed the policy of Empire:

The only way in which any race as a whole has *improved* has been through *its preservation of its best and the loss of its worst examples.* The condition which favors this is democracy, *equality before the law*, the condition which equalizes opportunity, and gives each man the right to stand or fall on the powers God has given him.

The only Race Degeneration ever known is that produced by one or all of democracy's arch enemies, SLAVERY, ARISTOCRACY, MILITARISM, IMPERIALISM, THE FOUR TYRANTS OF HUMAN POLITICS, NOT ONE OF WHOM APPEARS WITHOUT THE OTHERS. *The effect of these forces is to* DESTROY THE BEST, *leaving for the fathers of the future, those whom armies and powers could not use for its purposes.*

Decadence has followed each war for empire. "'Tis Greece, but living Greece no more," for the Greek of today is not the son of Leonidas and Themistocles.

*Speech at Cumberland, Md., Sept 4, 1900.

He is the son of the stableboys, scullions and slaves, those whom imperial Greece could not use in her wars of conquest.

In his noble history of the Downfall of the Ancient World, Professor Seeck of Greifswald finds but one real cause of the Fall of Rome. This he calls the Extermination of the Best ("Ausrottung der Besten"). He shows how Marius and Cinna slew the aristocrat, while Sulla murdered the common man. With the demands of the imperial domain in every direction, the Roman disappeared. *"Whoever was bold enough to rise politically was thrown to the ground. Only cowards remained, and from their brood arose the new generation.* Cowardice showed itself in lack of originality and slavish following of masters and tradition." HAD THE ROMANS OF THE OLD REPUBLIC BEEN ALIVE THERE WOULD HAVE BEEN NO FALL OF ROME.

As to Spain, a word from La Puente, an Augustinian friar, who wrote in 1630 on the Philippine question, then a burning one with Spain:

"Against the credit of redeemed souls, I set the cost of armadas and the sacrifice of soldiers and friars sent to the Philippines. And this I found the chief loss, for mines give silver, and forests give timber, but only Spain gives Spaniards, and she may give so many that she may be left desolate and constrained to bring up stranger's children instead of her own." "This is a Castle," said a Spanish knight, "she makes men and wastes them." "This sublime and terrible phrase," says Lieut. Calkins, from whom I take the quotation, "sums up Spanish history."

As to England, testimony of the same kind can be had in abundance in the verse of Kipling, the poet of so much that is good, vigorous and stirring, as well as of all that is bad in English life and history.

"We have fed our sea for a thousand years,
And she calls us still unfed."

"If blood be the price of admiralty,
Lord God, we ha' paid in full."

"Walk wide o' the Widow at Windsor,
For 'alf o' Creation she owns;
We 'ave bought 'er the same with the sword an' the flame,
An' we've salted it down with our bones.
(Poor beggars!—it's blue with our bones!)"

And again, in the stately Ave Imperatrix:

"O thou, whose wounds are never healed,
Whose weary race is never won;
O Cromwell's England, must thou give
For every inch of ground a son?"

"But childless, and with thorn-crowned head,
Up the steep road must England go."

This suggests Byron's words of Rome:

"The Niobe of Nations—crownless and childless in her voiceless woe."

Thus it has always been in history. THE WARLIKE NATION OF TODAY IS THE DECADENT NATION OF TOMORROW. It has ever been so, and in the nature of things must ever be.

IT SUGGESTS THE INEVITABLE END OF ALL EMPIRE, OF ALL DOMINION OF MAN OVER MAN BY THE FORCE OF ARMS.

PART VIII.

The Future, if Holding of Subjects (Government by Force) Prevails.

A. GENERAL STATEMENT.

The general result of continuing the present policy of holding subjects, i. e., government by force instead of by the will of the majority, we have just pointed out under "Militarism," and the sections referred to therein. IT IS A DARK AND DISMAL OUTLOOK. But we have not yet attempted to trace *the precise effects upon the rising generation.* All parents are anxious to secure the best possible future for their children. Therefore, one of the all important portions of this subject is: What will be the inheritance of our boys and girls if the present policy of holding subjects is continued?

B. THE INHERITANCE OF OUR BOYS AND GIRLS.

The following is an editorial in the Baltimore Sun of August 4, 1900:

It must not be overlooked that the popular decision of next November of the question of Empire or Republic is not more momentous for us than for our posterity. Our children and our children's children will rejoice or lament because of that decision. The imperial policy is one whose consequences, once they are invoked, *will have to be borne by succeeding generations.* If by their ballots this year the people indorse the McKinley policies we are not merely irrevocably committed ourselves to the new principles that governments derive their just powers from superior armed force; that alien Asiatic peoples may be first bought and subjugated and then held under our flag as subject colonies and dependencies, to be ruled as Britain rules India and South Africa, as Germany rules Alsace and Lorraine, as France rules Algiers and Madagascar, or as Russia rules Poland and Finland. In committing ourselves to such principles and policies *we cannot avoid committing the rising and future generations to them also.*

There are some national as there are some individual errors and follies which, being recognized and repented of, may be abandoned and their consequences repaired. But no nation has ever *deliberately* adopted the imperial policy and entered upon a course of foreign adventure, conquest, colonial expansion and that spurious "commercial enterprise" which has armies and navies for its advance agents and huge war debts for its accompaniment *and been able to turn back.* There have been statesmen in England since Pitt's time—Gladstone was one of them—who would have liked to turn their country back from the policy of military and naval aggression, by which its empire-building has been carried on from the days of Wellington and Nelson to the present time. But the currents of habit, of tradition, of apparent trade interests, and, above all, of the insatiate appetite of the nation for power and glory, *were too strong for them.* THEY WERE ALL COMPELLED TO GO WITH THE STREAM, so that no English statesman can now get a hearing who pleads for the abandonment of a foreign policy that keeps the nation in a state of almost perpetual war, with its never-ending sacrifice of life and treasure.

Nor can we expect to be exempt from the operation of the same law. If we choose in November next to ratify the Philippine war and commit ourselves to the pursuit of territorial and commercial ambitions in the East by armed force, *no man living is wise enough to say in what part of Asia, Africa or Europe the rising generation of Americans may not be summoned by the tens of thousands to fight and die for the flag which the fathers of the Republic dedicated to peace and "friendship with all nations, entangling alliances with none."* IT IS FOR US TO COUNT THE COST. It will be useless for our children when they come of age to do so. If we commit them to the pathway of "Destiny and Duty" marked out by Mr. McKinley, they will be bound, by the same motives of pride, pugnacity, unwillingness to retreat and commercial greed, which keeps England chained to the rock of colonial empire-building, to continue in it. If we, obeying the counsels of all the great founders of our Government, bequeath to them a country of continental limitations, with the two great oceans for its frontiers, it will be for them, as it has been for us, impregnable against all possible attacks. But if we are lured on by the delusive dream of a colonial empire in Asia to keep our flag permanently in the Philippines, we shall bequeath to them a country liable to be involved in a sanguinary and costly war at any moment whenever a foreign power or a combination of foreign powers choose to open fire on Manila. They will not need to come to our shores to deliver their attacks. *They will be able to make war upon our posterity at long range and compel them to go out and meet their enemies with armies and navies on battlegrounds of the latter's choosing.*

In every American home where there are boys growing up these things are now to be seriously considered. Ten or fifteen years hence the boys whom fathers and mothers are now bringing up with such tender care and fond hope *will be called for by the recruiting stations*—or it may be the drafting booths —TO BE SENT TO TROPICAL LANDS, IT MAY BE TO CHINA OR INDIA, THERE TO SUFFER AND DIE OF WOUNDS OR DISEASE, OR AT BEST TO RETURN HOME WITH HEALTH SHATTERED AND LIVES SHORTENED BECAUSE OF THE INEVITABLE DEVELOPMENTS OF THE IMPERIAL POLICIES INITIATED UNDER WILLIAM MCKINLEY. IT WILL BE TOO LATE THEN TO TRY TO VOTE THOSE POLICIES DOWN. It is a case where "the moving finger writes, and having writ, not all your piety nor all your art shall cancel or rub out a line of it." *Generation after generation of young British soldiers drawn from the English, Scottish*

and Irish homes have gone out to India, and are still going, TO UPHOLD THE IMPERIAL POLICY OF CONQUEST FOR COMMERCIAL GAIN'S SAKE INAUGURATED BY THE STATESMEN OF GEORGE THE THIRD'S TIME. RIVERS OF TEARS HAVE FLOWED AND MUST YET FLOW TO PAY FOR THAT GIGANTIC FOLLY—for India has not profited England by the larger and broader way of reckoning, and *in the end she must lose it, as she won it, by the sword.* BUT IT CANNOT BE UNDONE NOW. No English statesman would dare to propose it.

IT WILL BE WITH AMERICA AS IT IS WITH ENGLAND IF HER PEOPLE CONSENT TO LAUNCH FORTH UPON THE SEA OF IMPERIAL GLORY. Tropical colonies for us, as for the English, will furnish countless graves for our descendants, burden them with enormous debts, bow their necks under the yoke of huge standing armies and colossal fleets and tax them to the last point of endurance. Worse than all this, it will rob them of the proud heritage of their forefathers, *whose honorable boast it was that their flag never floated over unwilling subjects and never was stained with the blood of any people coerced to live under it against their own free will.*

Shall we sell not only our own but our children's birthright for the Asiatic mess of pottage? Surely it cannot be that the American people will, with their eyes open to what imperialism and colonial expansion has cost the European nations, especially England, in blood and taxes, to say nothing of the evil reputation they have incidentally gained as land robbers and liberty destroyers, commit themselves and bind their posterity to such a bargain! The workingmen of the country at least ought to set their faces sternly against it. All the imperial burdens, *the boys to be slaughtered in the far-off shambles of the Orient and the grinding taxes to be paid at home, will have to be borne in the main by them.* The few hundred millionaires, the trust magnates and the speculators who will exploit the "trade that follows the flag" will not go to the wars themselves nor pay much of the taxes to carry them on. They will do the shouting and rake in whatever profits there are. The working masses, the bone and sinew of the country, will have to furnish nearly all the blood and pay nine-tenths of the bills.

Let our workingmen think it all over between now and November *and think of their little boys*—the coming men of 1915 and 1920. WHAT SORT OF COUNTRY ARE THEY GOING TO LEAVE FOR THEIR SONS IF THEY VOTE TO IMPERIALIZE IT? Are they going to so use their votes this year that fifteen years hence the new generation of voters will say with bitter but vain regret: "Our fathers ate of the sour grapes of military glory and colonial empire-building and their children's teeth are set on edge."

PART IX.

Summary of Parts I to VIII Inclusive.

Upon a review of the foregoing it clearly appears that the people of Porto Rico and of the Philippines are held as subjects, and, therefore, if this policy is ratified by the voters at the polls, the United States will be an Empire and the Republic cease to exist.

The Administration, and the nominee for Vice-President, have outlined this new policy for the people of the United States—a policy of Empire. The theory they advance is, that "it promotes civilization." Therefore, the opposite policy —that of a Republic—does not promote civilization. The fallacy of this argument we have already pointed out, showing that the people living within a country should make its laws, for when they are made by a people residing in a foreign country they are framed to benefit the law-makers and not the subjects. So much as to the principle. The historical facts demonstrating its truth are multitudinous.

Furthermore, when a government holds the people of foreign countries by force there is always a *centralization of power at home and a corresponding loss of self-government in the home country.* This we have seen for ourselves during the eighteen months in which the Administration has been engaged in its policy of foreign conquest. We shall now proceed to a consideration of the defense which the Administration is making.

PART X.

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A. ADMIT THAT SUBJECTS ARE HELD, BUT CLAIM THAT IT PROMOTES CIVILIZATION.

It is sometimes admitted by McKinley and his fellow leaders that a new policy has been inaugurated. Their statements we have set forth in detail in a preceding chapter (pages 140 to 148, above).

The manner in which they endeavor to soften the effect of their admission would be amusing were the issues not so serious. The following are some of the means employed:

B. EVASION OF QUESTION AT ISSUE: FALLACIES.

1. New Meaning for "Liberty," "Republic," "Duty," "Civilization," Etc.

President McKinley, and all the supporters of his new policy, take great pains to declare that the policy in the Philippines will give "liberty" to the Filipinos, but the word, as they use it, has the same meaning as it had when King George applied it to the people of the American colonies. It is the liberty which the ruler gives to his subjects. But the people in general do not understand the sense in which these men use the term "liberty" and therefore they are deceived.

The advocates of the policy of empire speak in loving terms of the Republic. But their efforts are directed to the establishment of an Empire, and they endeavor to conceal their real aim.

If the audiences will ask the speakers to define "empire" and "republic," and the meaning of "liberty," they can expose the duplicity. Where it is denied that McKinley instituted a new policy, they can refute the statement by reading from Senator Lodge's Notification Speech, and from President McKinley's reply; also the statements by Roosevelt.

If it is *admitted* that a new policy has been promulgated by President McKinley and endorsed by the Philadelphia Convention, then the question can be asked, What is the prevailing element in this new policy? If an evasive answer is returned, the question can be squarely put, "Is it not a fact that the people of Porto Rico and of the Philippines are held as subjects and not as citizens of the United States?" In discussing the point it can be said that the people of these countries are either citi-

zens or subjects, and Congress has expressly declared that the people of Porto Rico are "citizens of Porto Rico." Were they citizens of the United States the Constitution would apply, and there could be no tariff laws between Porto Rico and this country.

Another line of questions is as to the Democratic policy of handling the Philippine question, namely: First, a stable government, as in Cuba; second, independence, as promised Cuba; third, a protectorate, as in the case of American Republics.

The words "duty" and "civilization" are frequently used by the imperialists in describing the policy they advocate. In this way they attach to the words a different meaning from that which has always been applied to them by the people of the United States. It is by using the terms "duty" and "civilization" as synonymous with "conquest abroad" that Roosevelt, McKinley and others are able to make a specious showing on the stump and in their writings.

Other examples of misuse of terms are as follows: They say that if we promise the people of the Philippines ultimate independence that it is "the doctrine of cowardly surrender"; that it is a "determination to degrade the flag." Thus is it claimed that those who stand for the principle of a Republic and against conquest are "degrading the flag," and are guilty of "a cowardly surrender."

"Engaged in preaching the **gospel of dishonor**" is the term Roosevelt applied to those who demand that the doctrine of self-government shall be applied in the solution of the Philippine question. He also likens the supporters of the Republic to "the so-called copperheads of the North."

Imperialism.

In the campaign text-book published by McKinley and his leaders, we find all the foregoing fallacies, together with additional ones. For example: "The Kansas City Platform declares that the paramount issue of the campaign is imperialism." And the following reply is put into the mouths of the speakers for the McKinley policy of holding subjects: "There is and can be no such thing as imperialism under a republican form of government. * * * Imperialism is sovereign rule without law." (Page 78.) This term is further explained by saying that it is the personal will of an individual without complying with the forms of law. Thus is there an evasion as to the distinction between Empire and Republic—Citizen or Subject.

"Expansion."

By using the term "expansion" instead of the words "holding subjects" or "colonial policy," there is likewise an evasion. But all these evasions can be exposed by asking questions of the speakers and by distributing literature.

2. Irrevelant Questions Dragged In, e. g. Capabilities of the Filipinos.

One of the methods whereby the people have been kept in line with the war against the Filipinos has been through making them believe that the Filipinos are somewhat like the savages of our western plains. For example, the Governor of the great State of New York, who is the nominee of the imperialist party, has time and again compared the Filipinos with the North American Indians. In his "Key Note" speech at St. Paul, Roosevelt said: "Remember that expansion (conquest) does not bring war; it ultimately brings peace. It is of advantage to all and especially to the people thereby lifted out of savagery. * * * Until we had expanded over this country, the border warfare between the white men and the red and among the different tribes of the red men was unceasing, but now that we have expanded, peace has come exactly as peace has been brought to Algiers, Turkestan and the Soudan by the great peoples of Europe (the great empires of Europe)."

These comparisons intimating that the people in the Philippines battling for self-government are on a level with

savages are placed before the American people with the object of getting them to vote to continue the Administration in power. But the character of the people of the Philippines is not involved in this campaign. The Philippine question is simply this: Shall the United States Government promise that when a stable and independent government is formed by the Filipino people, entitled in the judgment of the Government of the United States to recognition as such, it will then transfer, upon terms which shall be reasonable and just, all rights secured under the cession by Spain, and thereupon leave the government and control of the islands to the Filipino people?

The question is plain and simple: Will the United States promise that it will stand by the principles of self-government, as it did in the Cuban resolution, or will it enter on an era of foreign conquest and militarism, with all the further evils which result from these policies? To bring in the question of the character of the Filipino people is simply a device to sidetrack the real issue.

3. Fallacies in Logic.

One of the leading ways whereby an advocate for empire is able to keep from exposing the principle of conquest applied to the Philippines is to correctly quote the Democratic policy, namely: First, a stable government, second, independence and a protectorate, and then to declare that if we give the Filipinos independence *now*, anarchy will follow. Roosevelt did this sleight-of-hand work in his "Key-Note" speech at St. Paul.

4. Mis-statements of Opponent's Case.

McKinley and others are fond of misquoting the contentions of the Anti-Imperialists, and then they take these men of straw that they have created and knock them over. This has always been the practice where the case cannot bear the light. In this campaign it is questioned whether the King of Sophists is McKinley or Roosevelt. If McKinley would take the stump, no doubt he would get the crown.

Governor Roosevelt says "the so-called Anti-Expansionist, when logical, insists upon our abandoning the American missionaries and laymen alike who are in China, to their dreadful fate, without an effort to rescue them." This is a false statement. The people who are opposed to conquest are among the foremost in protecting the just rights of their fellow-citizens.

5. Mis-statements as to Facts of History.

a. AS TO FORMER ACQUISITION OF TERRITORY AND EXTENSION OF CITIZENSHIP TO INHABITANTS.

Where it is admitted that a new policy has been entered upon, a favorite method of attempting to deceive the people as to the real meaning of the refusal to promise independence to the people of the Philippines is the statement that in the former acquistions of territory by the United States a policy was pursued similar to that which the Administration is now pursuing. The untruthfulness of this is demonstrated by the treaties whereby the former territories, with their inhabitants, were added to the United States. The relevant portions of these treaties are set forth above (pages 113 to 116).

b. SELF-GOVERNMENT AMONG THE INDIAN TRIBES.

The Imperialists try to justify their holding of the Philippine people as subjects by claiming that we hold Indian tribes as subjects, but this is utterly false. The law has carefully prescribed that they shall retain their tribal government. (See above, page 114.)

c. COMPARISON WITH RACE QUESTION WITHIN THE STATES OF THE UNION.

The men who are trying to hold the brown men of the Philippines as slaves to the United States Government, in trying to forward their case and defeat the opposition, point to the Southern States and claim that many of the blacks are disfranchised. Even were the claim true, it would not justify a wrong against the brown men in the Philippines. The race troubles in the South are deplorable. But the situation there is vastly different from that which confronts us in the Philippines. In the South there are two distinct races of people *within the same area*, and history has shown that *where this occurs*, EITHER THE ONE OR THE OTHER IS THE DOMINANT POWER IN THE GOVERNMENT—both cannot be the dominant power within the same territory. But where people of one race are in a territory practically by themselves, as, for example, the Malays in the Philippines, the case is entirely different. *Allow them to have home rule and there is no trouble.* It is our going into their country and forcing on them the laws made on this side of the globe that causes the trouble. In regard to the Philippines, the only question is, Shall home rule prevail?—shall they have independence?

Furthermore, in the South the question is not raised, nor has it ever arisen, as to whether or not *the Federal Government should hold subjects.* When chattel slavery existed it was the individual white man who was the master, not the Federal Government; and if any of the negroes of the South are unlawfully disfranchised today they still live under laws which in other respects *apply equally to the men who make them*, while *the subjects of the Federal Government are governed by a set of laws entirely different from those which apply in the United States.* For example, the McKinley Administration has decreed that there should be free trade between the Filipinos and the Sulus, yet the latter may own and operate chattel slaves. Were this law applied to the United States there would be a tremendous uprising. The fact is, the object of holding subjects is to fleece them, and this can best be accomplished by laws which differ from those which apply to the conquering people.

In the light of the foregoing it becomes clear that the only object which the Administration can have in mixing the negro question with the Philippine question is to dodge the real issue—that of holding subjects.

As to the *merits* of the race question in the South, McKinley and his followers must admit that a large percentage of the negroes are illiterate, and that the object of the laws of the several Southern States is to *weed out the illiterates, both black and white.* This system would be advocated by many wealthy men of the North, were it not that it WOULD SHUT OUT THE GREATER NUMBER OF THOSE WHOSE VOTES THEY CAN BUY.

6. Use of Militarism in Campaign.

The Administration, in its endeavor to get the people to adopt its new policy of foreign wars of conquest, is trying to keep their votes by forming Military Clubs. With the dazzle of gold lace and martial music it is trying to get the people of the United States to vote to continue the war of conquest in the Philippines, and to adopt the policy of conquest as a permanent part of our institutions. Very fittingly the name applied to these military bodies is "legions." That was the term applied by the Romans to the armies of conquest, and it is a fitting name at this time—the "legions of McKinley."

C. DENIAL THAT SUBJECTS ARE HELD.

In his St. Paul speech Roosevelt described the conquest of Algiers by the French, of Turkestan by the Russians, and of the Soudan by the British, stating in conclusion that these had aided civilization. He then *compared* our operations in The Philippines—our holding of the Filipinos as subjects, not using, of course, the word "subjects." Before making this statement in his speech he declared that it was absurd for the Anti-Imperialist Republicans and Democrats to claim there was a policy of "conquest" abroad. Those are his identical words. He said. "So it is with their cant about 'militarism,' 'intimidation and oppression at home,' as following what they are pleased to call 'conquest abroad.' *We cannot argue with them on this proposition because no serious man thinks for one moment that they believe what they assert.*"

President McKinley, in concluding his Speech of Acceptance at Canton, July 12, 1900, said:

"LIBERATING MILLIONS FROM THE YOKE OF IMPERIALISM [?]."

"We have been moving in untried paths, but our steps have been guided by honor and duty. There will be no turning aside, no wavering, no retreat. (Applause.) No blow has been struck except for liberty and humanity, and none will be. (Great applause.) We will perform without fear every national and international obligation. (Great applause.) The Republican party was dedicated to freedom forty-four years ago. It has been the party of liberty and emancipation from that hour; not of profession but of performance. (Great applause.) It broke the shackles of 4,000,000 slaves and made them free, and to the party of Lincoln has come another supreme opportunity *which it has bravely met in the liberation of* 10,000,000 *of the human family from the yoke of imperialism.* (Tremendous applause and cheers, which broke out again and again.)"

D. SUMMARY.

Reviewing the defense of the Administration, we see they cannot get away from the fact that the Government holds the people of Porto Rico and of the Philippines as subjects. In other words, these countries and their inhabitants are "our possessions," and the Administration and its spokesmen admit that a new policy has been entered upon. They strenuously argue that we should not promise independence to the people of The Philippines, but at the same time insist we should not make them citizens. The issue, then, is squarely joined between the policy of Empire and that of Republic.

The issue being squarely joined on the doctrine of self-government and that of holding foreign races by force, it is well to examine the ideals of leading American statesmen now living *who have dissented* from McKinley's new policy of government by force, also the early Republican platforms compared with the last one, the ideals of the Fathers, and the Anti-Imperialist platforms of the Reform Parties and the sentiments of their candidates, Bryan and Stevenson.

PART XI.

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A. RECENT DECLARATIONS OF ANTI-IMPERIALIST REPUBLICANS, GOLD DEMOCRATS, AND PATRIOTIC ORGANIZATIONS.

Thomas B. Reed.

Thomas B. Reed, when among his friends, has always spoken in the most adverse terms of the efforts to hold the Filipino people by force. More than a year ago he resigned from Congress and from the speakership of the House of Representatives, and retired to private life. His letter to his constituents, September 16, concludes with these words:

"Whatever may happen, *I am sure that the first Maine district* WILL ALWAYS BE TRUE TO THE PRINCIPLES OF LIBERTY, SELF-GOVERNMENT AND THE RIGHTS OF MAN."

A year has elapsed since the above declaration was penned. In the meantime this *new policy of empire*, framed and put in operation by President McKinley and his backers, has been *adopted by the national convention of the organization known as the Republican party.* Such is the statement of Senator Lodge, Chairman of the Notification Committee. The President, in his reply, declared that *"If my countrymen shall confirm the action of the convention* at our national election in November, I shall undertake" to administer the government for "the well-being of the new peoples who have become *the objects of our care.* * * * We have been moving in *untried paths,*" but "there will be no turning aside, no wavering, no retreat."

Since this was stated Thomas B. Reed has refused to take the stump for McKinley's policy. He remains true to the sentiment he expressed to his constituents—true "to the principles of liberty, self-government and the rights of man."

In a speech at a "Home Week" meeting, August 7, at Portland, he concluded with this sentiment:

"Here's to the State of Maine, settled mostly by the blood of Old England, *but always preferring liberty to ancestry* (applause); *a strong old democratic State,* YET THE FIRST TO GIVE LIBERTY TO THE SLAVE—MAY HER FUTURE BE AS NOBLE AS HER PAST."

Benjamin Harrison.

Ex-President Harrison stated his position over a year ago in Paris. He said:

"*The United States* HAVE NO DESIRE FOR WAR OR CONQUEST. Their attitude is limited, outside their own boundaries, *to safe-guarding liberty.* . . . America wishes to gain by the expansion of her commerce, by exporting her products, AND NOT BY FORCE OF ARMS."

Later, when the Porto Rican law was being discussed in Congress, Ex-President Harrison declared:

"I regard the House Bill *as a very grave departure from right principles.*"

Grover Cleveland.

Ex-President Cleveland has spoken in the most decided manner against government by force. In the rush of campaign work the writer finds that he has not the exact wording.

John Sherman.

August 26, 1900, at a soldiers' reunion in Mansfield, O., Mr. Sherman's home, he said:

"I am and always have been opposed to war in the Philippines. *We have no business there* and I hope they will soon be left alone TO GOVERN THEMSELVES. I shall be glad to welcome the day when the soldier boys shall be called home from the Philippines. We shall then again be the same great family as we have been heretofore. *The war is not only an expensive war, but it is also unnecessary, uncalled for and unjust.*"

Mr. Sherman, who has been in public life for forty years and was Secretary of State under William McKinley, is now a member of the American Anti-Imperialist League and one of its Vice-Presidents.

Judge Brewer.

David J. Brewer, one of the judges of the United States Supreme Court, has always been a Republican, but in an address before the Liberal Club of Buffalo about a year and a half ago uttered a most emphatic condemnation of McKinley's policy of government by force. He said:

"I object to the Philippine policy because IT ANTAGONIZES THE PRINCIPLES UPON WHICH THIS GOVERNMENT WAS FOUNDED, WHICH HAVE CONTROLLED ITS LIFE UP TO THE PRESENT TIME, AND THE PERFECTION OF WHICH HAS BEEN THE HOPE AND ASPIRATION OF EVERY TRUE AMERICAN."

Judge Harmon.

At a dinner given to Judge Taft, of Cincinnati, the President of the existing Commission on the Philippines, just before his departure to the Far East, the following statement was made by ex-Attorney-General Harmon:

"This is not the time and place to discuss this issue. *But, if* THE PEOPLE *shall decide that* NO NATION IS GOOD ENOUGH TO RULE ANOTHER NATION WITHOUT THAT OTHER'S CONSENT; if they shall remember *what it cost us to cast out the heresy* that the great principles of liberty did not apply to black men *and shall refuse to* RE-EMBRACE IT AS TO BROWN ONES; if they shall conclude that this country can not long exist *part vassal and part free,* AS THEY FOUND IT COULD NOT PART SLAVE AND PART FREE,—then there will be no difficulty in doing what we ought to have done in the beginning: LEAVE THE FILIPINOS TO MANAGE THEIR OWN AFFAIRS AND SERVE NOTICE ON THE WORLD THAT THEY ARE UNDER OUR PROTECTION. That issue may be settled soon. It may take long. *But as it involves right and wrong, it* WILL NEVER BE SETTLED UNTIL IT IS SETTLED RIGHT."

George S. Boutwell.

The venerable George S. Boutwell, who has been a life-long Republican, and highly honored by his party, has been unceasing in his denunciation of the administration's policy of empire. See page 210.

John B. Henderson.

Ex-Senator John B. Henderson, of Missouri, a Republican, in an address at Philadelphia, February, 1899, declared:

If the legislation now proposed for

Porto Rico [and which became a law] should be applied for twenty-five years to the richest State in the American Union, *its wealth will have departed and its inhabitants will have become paupers.*

It has been said that the trusts and protected interests of the country *have demanded this sacrifice of Republican justice to the now dominant spirit of avarice and greed.* If such be the case, no accusation of the anti-imperialist is without its vindication. If this legislation is to be enforced, *the territories of the United States will hereafter be* known as COLONIES. THEY WILL BE GOVERNED, NOT BY THOSE FAMILIAR AND SYMPATHETIC WITH THEIR INTERESTS, *BUT BY ALIENS, GREEDY OF THEIR EARNINGS AND HEEDLESS OF THEIR SUFFERINGS. AS THE FEAST GROWS SMALL THE VULTURES WILL FIGHT OVER THE PREY. ROME DID NO MORE THAN THIS. AND IF WE FOLLOW HER EXAMPLE WE MUST EXPECT TO FOLLOW HER FATE.*

Ex-Senator Edmunds.

Ex-Senator Edmunds has written and spoken in most decided and scathing terms against the attempt to change the Republic into an empire. (See page 112.)

United States Senators.

The Republican chairman of the Senate Committee on Foreign Relations, Hon. C. K. Davis, of Minnesota, voted against the Porto Rican Bill and spoke against it. Some of his statements are quoted at page 169. Among other things he declared that the people were protesting "against *the very principle upon which it is based.*" "The case," he said, "is well understood; *it is 'futile' to pretend that the mass of the people throughout the country do not understand a subject* SO SIMPLE AS THIS."

Senator Proctor, of Vermont, voted against the Porto Rican law, saying:

"Thank Heaven that we have a people whose moral sense, whose love of justice and fair play *cannot be trifled with with impunity. . . . This is a question* HIGHER THAN PARTY OR POLICY; IT IS A QUESTION OF PRINCIPLE."

The following Republican Senators also voted against the bill which has made the people of Porto Rico *subjects*, and which, if ratified at the polls, puts an end to the Republic: Senators Wellington, of Maryland; Davis and Nelson, of Minnesota; Mason, of Illinois; and Simon, of Oregon.

Congressmen.

The following Republican Congressmen also voted against the Porto Rican law of April 12, 1900: Littlefield, of Maine; Heatwole, of Minnesota; Lorimer, of Illinois; McCall, of Massachusetts; Crumpacker, of Indiana; Fletcher, of Minnesota; Lane, of Illinois; H. C. Smith, of Michigan, and Warner, of Illinois.

Other Leading Republicans.

Hosts of leading Republicans have made up their minds that they will not aid in the destruction of the Republic and the establishment of an Empire. Many of them have not yet spoken, *and probably a large number of them will not speak publicly, but they are quietly working for the defeat of the Republican organization and at the same time they will retain their standing in the party.*

In Massachusetts Senator Hoar's term expires next March. *He desires re-election* AND IS NOT FIGHTING THE REPUBLICAN MACHINE. But while there was a possibility of preventing the final adoption of the present policy by the Republican organization, Senator Hoar made a brilliant stand, and among other things declared:

"We have now to meet a greater danger than we have encountered since the Pilgrims landed at Plymouth—*the danger that we are to be transformed from a Republic*, founded on the Declaration of Independence, guided by the counsels of Washington, *into a vulgar, common-place Empire, founded upon physical force.*" (January 9, 1899.)

Prominent citizens, largely of the Republican and Gold Democratic parties, have established Anti-Imperialist Leagues. The following is a sample platform. It was adopted at the Chicago Anti-Imperialist Conference, Oct. 18, 1899.

Platform of the American Anti-Imperialist League.

We hold that the policy known as imperialism is hostile to liberty and tends toward militarism, an evil from which it has been our glory to be free. We regret that it has become necessary in the land of Washington and Lincoln to reaffirm that all men, of whatever race or color, are entitled to life, liberty, and the pursuit of happiness. We maintain that governments derive their just powers from the consent of the governed. We insist that the subjugation of any people is "criminal aggression" and open disloyalty to the distinctive principles of our government.

We earnestly condemn the policy of the present national administration in the Philippines. It seeks to extinguish the spirit of 1776 in those islands. We deplore the sacrifice of our soldiers and sailors, whose bravery deserves admiration even in an unjust war. We denounce the slaughter of the Filipinos as a needless horror. We protest against the extension of American sovereignty by Spanish methods.

We demand the immediate cessation of the war against liberty, begun by Spain and continued by us. We urge that Congress be promptly convened to announce to the Filipinos our purpose to concede to them the independence for which they have so long fought and which of right is theirs.

The United States have always protested against the doctrine of international law which permits the subjugation of the weak by the strong. A self-governing state cannot accept sovereignty over an unwilling people. The United States cannot act upon the ancient heresy that might makes right.

Imperialists assume that with the destruction of self-government in the Philippines by American hands, all opposition here will cease. This is a grievous error. Much as we abhor the war of "criminal aggression" in the Philippines, greatly as we regret that the blood of the Filipinos is on American hands, we more deeply resent the betrayal of American institutions at home. The real firing line is not in the suburbs of Manila. The foe is of our own household. The attempt of 1861 was to divide the country. That of 1899 is to destroy its fundamental principles and noblest ideals.

Whether the ruthless slaughter of the Filipinos shall end next month or next year is but an incident in a contest that must go on until the declaration of independence and the constitution of the United States are rescued from the hands of their betrayers. THOSE WHO DISPUTE ABOUT STANDARDS OF VALUE WHILE THE FOUNDATION OF THE REPUBLIC IS UNDERMINED WILL BE LISTENED TO AS LITTLE AS THOSE WHO WOULD WRANGLE ABOUT THE SMALL ECONOMICS OF THE HOUSEHOLD WHILE THE HOUSE IS ON FIRE. The training of a great people for a century, the aspiration for liberty of a vast immigration, are forces THAT WILL HURL ASIDE THOSE WHO IN THE DELIRIUM OF CONQUEST SEEK TO DESTROY THE CHARACTER OF OUR INSTITUTIONS.

We deny that the obligation of all citizens to support their government in times of grave national peril applies to the present situation. If an administration may with impunity ignore the issues upon which it was chosen, deliberately create a condition of war anywhere on the face of the globe, debauch the civil service for spoils to promote the adventure, organize a truth-suppressing censorship, and demand of all citizens a suspension of judgment and their unanimous support while it chooses to continue the fighting, REPRESENTATIVE GOVERNMENT IS IMPERILED.

WE PROPOSE TO CONTRIBUTE TO THE DEFEAT OF ANY PERSON OR PARTY THAT STANDS FOR THE FORCIBLE SUBJUGATION OF ANY PEOPLE. We shall oppose for re-election all who in the White House or in Congress betray American liberty in pursuit of un-American ends. We still hope that both of our great political parties will support and defend the

declaration of independence in the closing campaign of the century.

We hold with Abraham Lincoln, that "no man is good enough to govern another man without that other's consent. When the white man governs himself, that is self-government, but when he governs himself and also governs another man, that is more than self-government—that is despotism." "Our reliance is in the love of liberty which God has planted in us. Our defense is in the spirit which prizes liberty as the heritage of all men in all lands. THOSE WHO DENY FREEDOM TO OTHERS DESERVE IT NOT FOR THEMSELVES, AND UNDER A JUST GOD CANNOT LONG RETAIN IT."

We cordially invite the co-operation of all men and women who remain loyal to the declaration of independence and the constitution of the United States.

National Liberty Congress, Aug. 16, 1900.

The culmination of the league work was a National Liberty Congress at Indianapolis, August 15 and 16, 1900. More than 600 delegates were present, most of whom were anti-imperialist Republicans and Gold Democrats. The list of names contains so many that have been prominent in their parties that no attempt is here made to publish them.

The convention was presided over by the venerable Gov. Boutwell, of Massachusetts, one of the most distinguished and honored founders of the Republican party, and always a Republican until McKinley took the Porto Ricans and Filipinos as subjects. He has served his State as Governor, United States Representative and United States Senator, and the nation as Secretary of the Treasury under Grant. He was accorded a great demonstration when he took the gavel. He said:

CHAIRMAN BOUTWELL'S SPEECH.

"Having in mind the many honors I have received from my countrymen in times past, I shall, when this day is gone, have no more favorable recollection of any one of them than I shall of this. This is an historic occasion. If the peril of this country is what we think it is; if the question before you and before your countrymen is the question of the continuance of the Republic, then no graver question has ever been committed to an assembly of men or to the country. We are opposed to imperialism. We are in favor of a republican form of government. We respect the teachings of our ancestors, the glory of the history they have left us; and standing between the past and the future, it is our duty to transmit to posterity the principles of the fathers and the institutions they have founded. That is your mission today as the representatives of forty-five States of this Union. It may be a representation without an organized constituency, but it is a representation that speaks for itself and for the people of the country and for the generations that are advancing to take our places. And it is a representation that has a right to speak, a representation that will be heard at Washington today, and heard all over the world, speaking as we do for the preservation of republican institutions and representing the American Republic, the light of which, if it shall go out, will never be rekindled on the surface of the earth.

Hon. Bourke Cockran was to have been one of the speakers but was unable to be present. The letter he wrote is as follows, and was received with a tremendous round of applause:

LETTER FROM BOURKE COCKRAN.

New York, Aug. 14, 1900.

I regret very much that owing to business engagements here I will be unable to attend the Liberty Convention at Indianapolis on the 15th.

The attitude of the anti-imperialists to imperialism cannot be open to doubt, and therefore I assume the object of the convention is not to express opposition, but to devise a method of making that opposition effective.

Issue Squarely Raised--Duty to Voters.

The issue of imperialism having been squarely raised between the two great

parties, *it must be plain that the only way in which a citizen can exercise any direct influence upon the result is by voting for the Republican candidate who supports it, or the Democratic candidate who opposes it.*

Nothing can be accomplished by the nomination of a third candidate that cannot be accomplished equally by abstentation from the polls, except that the citizen who remains home on election day passes unnoticed, while he who votes a third ticket attracts attention. The difference between a silent and a vociferous refusal to exercise the suffrage is not worth discussion. *Since abstention from civic duty is never commendable,* WHEN THE REPUBLIC IS IN DANGER THE ONLY PLACE FOR THE PATRIOT IS IN THE RANKS OF ITS ACTIVE DEFENDERS. Absence from the field of contest or shooting in the air can never be justified.

It cannot be denied that while anti-imperialists unanimously approve Mr. Bryan's position on imperialism, many of them hesitate to vote for his election to the Presidency because they regard his views upon other questions with distrust and apprehension.

Change of Political Conditions Since 1896.

We cannot hope to deal intelligently with the issues of this campaign until we liberate ourselves from the domination of the questions, discussions, and passions of the last campaign. Within four years political conditions have changed decisively *and as conditions change, issues change with them.* THE QUESTION WHICH THE PEOPLE MUST DECIDE NOW IS RADICALLY DIFFERENT FROM THAT SUBMITTED TO THEM IN 1896. Then the election of Mr. Bryan would have placed the Democratic party in complete control of the legislature as well as of the executive branch of the government, with full power to enact all its beliefs into law, while now his election will result, not in placing the control of the government in the hands of the Democratic party, *but in dividing its control between the two parties.*

Senate Securely Republican.

Whatever may be the result of this election, the Senate will remain Republican for two years certainly, and probably for four. Even if the people raised Mr. Bryan to the Presidency in November, the Democratic party cannot possibly achieve any power of legislation during the existence of the next Congress, and without legislative sanction no change in the standard of value, no reorganization of the Supreme Court, no modification whatever of our financial, industrial, or political systems could be accomplished.

Imperialism the Issue--Solution Cannot Wait.

There is one issue which the popular verdict will settle irrevocably, and that is the issue of imperialism. If the Republican party be successful, its control of the judicial, as well as of the executive and legislative departments of the government, will be absolute, and its disposition to exercise all its power for the enforcement of an imperialistic policy cannot be doubted. *At the end of four years imperialism will be so firmly imbedded in our political life that it can never be expelled.*

Mr. Bryan's election of itself would put a quietus on the imperialistic adventure. No policy specifically condemned by the people has ever been adopted into our system, and imperialism would prove no exception to the rule. Mr. Hoar's suggestion that the Senate would refuse to follow a Democratic President in a policy of humanity approved by the people does faint justice to his own patriotic capacity when, liberated from the exigencies of a campaign for re-election, his intellect and his conscience would be restored to harmonious and effective co-operation. Imperialism, rebuked at the polls and shown to be unprofitable, would not have a single supporter in the country. Within a month of election Senator Hoar could reduce his noble conceptions of freedom and duty to definite proposals of pacification *which both parties would accept.* THE COUNTRY HAVING PRONOUNCED FOR JUSTICE, POLITICIANS OF EVERY SHAPE AND DESCRIPTION WILL BE EAGER TO DO JUSTICE, AND WHEN THE DESIRE FOR JUSTICE IS SINCERE THE WAY TO JUSTICE IS SOON DISCOVERED.

Objection to Bryan Answered.

Since the election of Mr. Bryan is certain to deliver the country from the imminent peril of imperialism, can the liberty convention hesitate to support him because of impalpable danger arising from his opinions on subjects with which, as President, he cannot possibly deal?

I confess it is hard to understand the attitude of those gentlemen who would

have supported him if the convention had been silent or evasive on the free coinage of silver, but who hesitate to support him on a platform which excludes that question from the serious discussions of the contest by regulating it to a subordinate position. The Democratic platform declares that imperialism is the paramount issue of the campaign, and Mr. Bryan's speech at Indianapolis accepts this conception of the issue, emphasizes it, and vindicates it. But a declaration that imperialism is a paramount issue is equivalent to a declaration that it is the sole issue, *for no Presidential election ever decided more than one question.* In my judgment, the platform adopted by the Democratic convention should be much more satisfactory to sound money men than any of the substitutes suggested by older and more conservative managers. Since nobody pretended that Mr. Bryan's opinions on the questions raised by the Chicago platform of 1896 have been changed, his refusal to disguise them in any way is highly creditable to his honesty, and honesty is the first essential of patriotic Presidential service.

Mr. Bryan's conversion to a belief in sound money would, in my opinion, be a reason for national rejoicing, *but any abandonment or abasement of the frankness and sincerity which have always distinguished him would be little short of national calamity.* We need not accept Mr. Bryan as an infallible, or even as a sound authority on economics, to acknowledge that his integrity, his truthfulness, and absolute sincerity *have been among the most salutary influences of this generation on our political life.* It is certain that this country is indebted to him for the gold standard law, which, though it has the defects of its party origin, is the best contribution to our national stability since the resumption of specie payment.

Outcome of Bryan's Sincerity.

If the Democratic platform of 1896 had been evasive, as unquestionably it would have been if the so-called conservatives had controlled the convention. can anybody doubt that the Republicans would have met evasion with evasion, and that the finanical issue would be still unsettled, hanging like a sinister shadow over our industrial system? Mr. Bryan's frank, sincere, and unequivocal advocacy of the free coinage of silver forced the Republican party reluctantly to declare in favor of the gold standard. The result was not that which Mr. Bryan sought; none the less it was produced by him. Because he was sincerely wrong he forced the Republican politicians to become insincerely right. *To this sincerity of Mr. Bryan the country is indebted for the opportunity to pass squarely and decisevly upon the issue of imperialism.*

An Open Fight--Empire versus Republic.

If the Republic is to be overthrown the assault must now be made in the open light of day. It is no longer possible to strangle it under cover of misleading and hypocritical phrases. In this open fight for liberty, surely every anti-imperialist should be ready to bear his part. Hesitation to avail ourselves of the leadership, under which alone opposition to imperialism can be made effective through distrust of the leader's views on economic questions not now in issue, *would be as senseless as hesitation to employ a surgeon on whose skill depended the sole prospect of life, through dislike of his religious beliefs.*

It can hardly be necessary to say that we, who, four years ago, sacrificed our political prospects and personal associations rather than lend even a passive support of silence to declarations which we believed to be subversive of order, will pursue the same course again, if these questions should ever occur.

The best evidence of our capacity to deal with the issues of 1902 or 1904, whatever they may be, is to deal intelligently now with the issues of 1900. On that issue Mr. Bryan stands for justice, liberty, and the Constitution, and since all these would be imperiled by his defeat, it is to be hoped that the liberty convention will not be swerved form supporting him by prejudices springing from past antagonisms or by groundless apprehensions of the future.

Yours very sincerely,

W. BOURKE COCKRAN.

To Edwin Burritt Smith, Esq., Chairman Executive Committee American Imperialist League.

The Committee on Resolutions made the following report:

ADDRESS TO THE VOTERS OF THE UNITED STATES.

"This liberty congress of anti-imperialists recognizes A GREAT NATIONAL CRISIS WHICH MENACES THE REPUBLIC UPON WHOSE FUTURE DEPENDS IN SUCH LARGE MEASURE THE HOPE OF FREEDOM THROUGHOUT THE WORLD. FOR THE FIRST TIME IN OUR COUNTRY'S HISTORY THE PRESIDENT HAS UNDERTAKEN TO SUBJUGATE A FOREIGN PEOPLE AND TO RULE THEM BY DESPOTIC POWER. He has thrown the protection of the American flag over slavery and polygamy in the Sulu Islands. He has arrogated to himself the power to impose upon the inhabitants of the Philippines government without their consent and taxation without representation. He is waging war upon them for asserting the very principles for the maintenance of which our forefathers pledged their lives, their fortunes and their sacred honor. He claims for himself and Congress authority to govern the territories of the United States without constitutional restraint.

"We believe in the Declaration of Independence. Its truths, not less self-evident today than when first announced by our fathers, are of universal application, and cannot be abandoned while government by the people endures.

"We believe in the Constitution of the United States. It gives the President and Congress certain limited powers, and secures to every man within the jurisdiction of our government certain essential rights. We deny that either the President or Congress can govern any person anywhere outside the Constitution.

"We are absolutely opposed to the policy of President McKinley, which proposes to govern millions of men without their consent, which in Porto Rico establishes taxation without representation and government by the arbitrary will of a legislature unfettered by constitutional restraint, and in the Philippines prosecutes a war of conquest and demands unconditional surrender from a people who are of right free and independent.

"The struggle of men for freedom has ever been a struggle for constitutional liberty. There is no liberty if the citizen has no right which the legislature may not invade, if he may be taxed by a legislature in which he is not represented, or if he is not protected by fundamental law against the arbitrary action of executive power. The policy of the President offers the inhabitant of Porto Rico, Hawaii and the Philippines no hope of independence, no prospect of American citizenship, no constitutional protection, no representation in the Congress which taxes him. This is the government of men by arbitrary power without their consent; this is imperialism.

NO SUBJECTS IN A REPUBLIC.

"There is no room under the free flag of America for subjects. The President and Congress, who derive all their powers from the Constitution, can govern no man without regard to its limitations.

REMOVE THE CENSORSHIP OF PRESS.

"We believe that the greatest safeguard of liberty is a free press, and we demand that the censorship in the Philippine islands which keeps from the American people the knowledge of what is done in their name be abolished. We are entitled to know the truth, and we insist that the powers which the President holds in trust for us shall be not used to suppress it.

OPPOSE M'KINLEY'S RE-ELECTION.

"Because we thus believe, we oppose the re-election of Mr. McKinley. The supreme purpose of the people in this momentous campaign should be to stamp with their final disapproval his attempt to grasp imperial power. A self-governing people can have no more imperative duty than to drive from public life a chief magistrate, who, whether in weakness or of wicked purpose, has used his temporary authority to sub-

vert the character of their government and destroy their national ideals.

"We, therefore, in the belief that it is essential at this crisis for the American people again to declare their faith in the universal application of the Declaration of Independence, and to reassert their will that their servants shall not have or exercise any powers whatever other than those conferred by the Constitution, earnestly make the following recommendations to our countrymen:

RECOMMENDATIONS.

"1. That, without regard to their views on minor questions of domestic policy, they withhold their votes from Mr. McKinley in order to stamp with their disapproval what he has done.

"2. That they vote for those candidates for Congress, in their respective districts who will oppose the policy of imperialism.

"3. That we welcome any other method of opposing the re-election of Mr. McKinley, we advise direct support for Mr. Bryan as the most effective means of crushing imperialism.

"We are convinced of Mr. Bryan's sincerity and of his earnest purpose to secure to the Filipinos their independence. His position and the declarations contained in the platform of his party on the vital issue of the campaign meet our unqualified approval.

ORGANIZATION TO BE EXTENDED.

"We recommend that the executive committees of the American Anti-Imperialist League and its allied leagues continue and extend their organizations, preserving the independence of the movement; and that they take the most active possible part in the pending political campaign.

THE VOTER'S RESPONSIBILITY.

"Until now the policy which has turned the Filipinos from warm friends to bitter enemies, which has slaughtered thousands of them and laid waste their country, has been the policy of the President. After the next election it becomes the policy of every man who votes to re-elect him and who thus becomes with him responsible for every drop of blood thereafter shed."

The hundreds of delegates who were present adopted the foregoing resolutions with only 5 or 6 dissenting voices:

Letter of Ex-Secretary of State Olney.

Richard Olney, Secretary of State in Mr. Cleveland's last administration, also ex-Attorney-General of the United States, gave his views to the public by means of a letter to Mr. H. L. Nelson, of New Rochelle, N. Y. It was not made public until early in September.

Boston, 23 Court Street, Aug. 14.

Dear Sir:—I have yours of the 12th ultimo. You refer to a previous conversation in which I had intimated my intention to vote the Democratic ticket at the coming Presidential election and ask for the grounds for so doing. You urged at our interview that such a decision should, as a matter of duty, be accompanied by a willingness to avow the reasons behind it. I recognize the force of that view, and though it is against my inclination and habits, I proceed to state some considerations which seem to me to justify the purpose I have formed.

Which Party Shall Control?

I need hardly say that Mr. Bryan is not the candidate I should choose could I have my way in the matter, and that I entirely dissent from parts of the Kansas City platform. But in laying his course upon the all-important subject of the Presidency a citizen is bound to bear in mind that he is dealing with a practical matter, *and must seek the best practical results through such legitimate practical methods as are available.* Parties cannot be ignored, for example, because ours is a government of parties; *the real issue is which of them shall control*, and individual effort independent of party must at best be abortive, while it may further the success of the worst party in the field.

Every Citizen Should Vote.

So the choice between the parties, one of which must certainly prevail, calls for the exercise of the same sound com-

mon sense. Perfection in a candidate or platform is an idle dream, and infirmities in its creed and defects in its leadership will always characterize every party. But they in nowise excuse a citizen from taking his assigned part in the government of the country —from making up his mind what the common weal demands and what party's success will come nearest satisfying the demand, and from using his influence and casting his vote accordingly. If one citizen may properly withhold his vote, logically all may, and all the wheels of government be stopped, while to decline voting because practically assured that others will vote is but to give the latter an undue share of political power and to forfeit the right to complain of any abuse of it.

The obligations of citizenship are avoided, not performed, by standing neutral in an election. *The voting power is a trust which calls for use and is violated by the neglect to use.* There is always a choice between the consequence of one party's ascendancy and those of its opponent, and therefore the true question before every citizen always is of the general attitude of a party upon the vital issues of the day, and whether, in view of that attitude, its success is not the best thing in sight.

Such is the real issue now confronting every American citizen. Be it admitted that the Democratic party, its platform and its candidate are open to much just criticism, yet, all things considered, *would not its triumph be the best outcome of the present Presidential contest?*

Declares for Democratic Party.

In my judgment it would be. In my judgment nothing is now so important as that *the American people should take this their first opportunity to emphatically protest against that excrescence upon original Republicanism which may be called McKinleyism*—a term used solely for brevity and not because Mr. McKinley is largely responsible for what it comprehends, except as he has proved himself unable or unwilling to resist the pressure of political and personal friends or to withstand the temptation of trimming his sails to every wind of apparently popular doctrine. It may not be feasible to undo what has been done—the weakest and silliest of administrations may involve the country in difficulties from which the strongest and wisest may not be able to extricate it. Nevertheless, *the evil course pursued should be condemned and not condoned.* The future may be helped and safeguarded even if the past is remediless, while, so far as the injurious consequences of past courses can be averted or mitigated, something may be hoped from those not primarily responsible for them. From their official authors and justifiers nothing but persistence in them can reasonably be expected, *and, should McKinleyism prevail in the pending election, who shall say*—in view of the Administration's proved capacity for reversing itself—*that we shall not soon find ourselves in the toils of a Chinese problem even more costly, menacing and insoluble than the Philippine problem itself?* SURELY EVERY ARGUMENT URGED IN DEFENSE OF OUR SEIZURE OF THE PHILIPPINES CAN BE USED A SECOND TIME, WITH EVEN GREATER FORCE, TO JUSTIFY OUR APPROBATION OF A SLICE OF CHINA.

What Mr. McKinley Stands For.

To support the conclusion to which I have come it is only necessary to consider what McKinleyism stands for—what is the necessary effect of indorsing it—what it will mean if the American people now solemnly record themselves as approving the McKinley Administration and all its works.

First.—It will mean that the American people sanction a *syndicated Presidency*—a Presidency got for the Republican party by the money of a combination of capitalists intent upon securing national legislation in aid of their particular interests.

Second.—It will mean that the American people *approve the legislation thus obtained* and justify such legislation as the Dingley Tariff Bill, with all its devices for taxing consumers and wage-earners—that is, the great mass of the people—and exempting accumulated wealth.

Third.—It will mean that the American people uphold *the policy of greed and contempt for alien peoples whose retributive consequences are seen in recent events in China*; APPROVE OF OUR JOINING THE RANKS OF INTERNATIONAL LAND GRABBERS, AND SANCTION THE RAPACITY, AS WELL AS FOLLY, BY WHICH, WHILE PRETENDING TO BUY, WE, IN FACT, FORCIBLY EXPELLED SPAIN FROM HER PHILLIPINE POSSESSIONS AND, WITHOUT EXCUSE either in the demands of national honor or in considerations of the national interest, HAVE SADDLED OURSELVES WITH THE GRAVEST RESPONSIBILITIES for some 8,000,000 or 10,000,000 of the savage or,

at best, half-civilized brown people of the tropics.

Fourth.—It will mean that the American people approve *the tactless and brutal policy pursued since the Philippine acquisition was made,* whereby what was pressed upon the country as a treaty of peace WAS, IN FACT, BUT THE SIGNAL FOR ANOTHER MORE COSTLY, BLOODY AND PROLONGED WAR.

Fifth.—It will mean that the American people approve *the extraordinary fatuous policy or impolicy, or no policy at all,* by which the Philippine Archipelago, many thousands of miles from our shores, becomes an integral part of the United States, while Cuba, the cause and inspiration of the war, lying right at our door, the key to the Gulf of Mexico, and absolutely essential to our defense against foreign attack, is declared alien territory and entitled to all the rights of an independent sovereignty.

Sixth.—It will mean that the American people approve *an abdication of its functions by the National Legislature* which leaves millions of human beings outside the pale of any recognized code of law and signifies for our new possessions for an indefinite period militarism of the most unadulterated sort.

Seventh.—It will mean that the American people, having in their President the sole representative of the nation as a whole, *approve of a national executive who fails to uphold the dignity and the independence of his great office; who* exercises its functions in subservience both to other branches of the Government *and to the clamor of special pecuniary interests;* who, condemning the acquisition of territory by force as "criminal aggression," *wrests her possessions from a foreign state by the menace of continued war;* who finds the "plain duty" of the Government to be one thing today *and exactly the opposite thing tomorrow, and whose disregard of the elementary principles of civil service reform is a scandal as notorious as it is indefensible.*

Eighth.—It will mean that the American people indorse the policy by which the United States of America sets up in business *as an Asiatic power and welcome the large standing armies, the increased naval forces, the new administrative agencies, the enlarged and more costly diplomatic service, the onerous taxes, the international complications and the entangling alliances,* which, and all of which, are THE INEVITABLE INCIDENTS AND CONSEQUENCES OF THE ORIENTAL ROLE TO WHICH MCKINLEYISM HAS UNDERTAKEN TO PLEDGE US.

Money Influence in Politics.

Ninth.—It will mean that the American people either do not see or, seeing, approve *the great and growing,* IF NOT ALREADY OVERWHELMING, INFLUENCE OF MONEY IN OUR POLITICS. Our Government was not conceived or framed as a money-making machine even for the profit of all the governed—much less for the profit of particular classes or portions of the governed. Its vital principle and its crowning merit are that *it stands for equal opportunities to all;* that by the maintenance of order and the administration of justice it is designed to give every man a free hand in the struggle for the prizes of life.

The theory of the true functions of government McKinleyism DIRECTLY ANTAGONIZES—*by protective tariffs, by the most intimate relations between the United States Treasury and the general money market, by subsidies to particular industries, by an aggressive colonial policy, and in other ways it practically holds out the Government as an engine for use in the acquisition of private wealth.* The natural, the inevitable result is that the money of the country hotly pursues the control of the Government as a source of more money; that the flag figures as a sort of commercial asset, replete with possibilities of pecuniary profit for its fortunate custodians.

That under the influence of McKinleyism such is the unmistakable trend of things in this country at the present day, giving to the best-devised policy of all times somewhat the aspect of A STOCK-JOBBING DEMOCRACY, is only too apparent. Should McKinleyism now again prevail, for example, *it will not be because it is not cordially distrusted and disliked by the great body of American electors.* IT WILL BE BECAUSE OF THE INFLUENCE OF THE PURSE AND OF THE FELICITOUS APPLICATION OF AN ENORMOUS CAMPAIGN FUND—BECAUSE OF AN INVESTMENT SCARE, which, if in some measure genuine, will be *in much larger measure artfully worked up for election ends.* To excite the alarm of voters for their immediate pecuniary interests is easy; to evoke patriotism, courage and unselfishness required to effect serious political changes and indispensable to dislodge a party which, has been intrenching itself in the Government for nearly 40 years, is infinitely more difficult.

If the success of the Republican party next November means all that I have stated—and how can it mean anything less?—but one conclusion seems possible: The calamitous possibilities said to inhere in Democratic success in the ensuing election, exaggerated as they are by partisan zeal and subsidized ingenuity, are outweighed by certainties of mischief involved in four years more of McKinleyism.

Stock exchange panics, often made to order, generally irrational and now freely predicted by those who know how to make their predictions good and are sure to profit by whatever caprices the market may indulge in, ARE AS DUST IN THE BALANCE compared with *the enduring evils* to result from the vicious national policies which the American people are now desired to impress with the seal of their favor and to thus perpetuate indefinitely.

Conclusion.

In the defeat of the Republican party in the coming election *lies the only hope of the reversal of those policies and of the beginning of a return to more wholesome conditions.* Such a defeat would be *all the more significant and emphatic because obviously due to the co-operation of citizens in many things quite at odds with the Democratic party and its leadership.* And it is a defeat that should come *now* and not later, because not to reject McKinleyism at once TENDS TO FASTEN IT PERMANENTLY UPON THE VITALS OF THE COUNTRY.

For myself, therefore, I find it tolerably clear that a citizen's duty in connection with the coming Presidential election not only permits but *requires him* to desire the success of the Democratic party.

Yours very truly,
RICHARD OLNEY.

Bourke Cockran's Second Letter.

In a letter to Stephen P. Anderson, about Aug. 31, Mr. Cockran says, among other things:

Gold Standard Law.

Your apprehension that Mr. Bryan, if elected, would defeat the operation of the gold standard law by perverting its provisions is utterly inconsistent with the sincerity and honesty for which you give him credit. Mr. Gage's far-fetched prognostications of possibilities prove nothing except that the looseness [if there is any] which characterizes the language of the gold standard law *was not the result of accident, but of a deliberate Republican design to preserve uncertainty about the money question for service as a political scarecrow during this campaign.* In this programme of perfidy, however, the personal character of Mr. Bryan seems to have been overlooked. If Mr. Bryan be sincere, as you and I believe him to be, he must be incapable of evading any duty; and the enforcement of every law according to its true meaning would be a duty imposed upon him by his oath of office.

Mr. Bryan's Honesty.

It is a wholesome, though novel feature of this campaign, for which we are indebted to Mr. Bryan's sincerity, that whoever votes for either candidate knows perfectly well what policies he is supporting. If Mr. Bryan intended to use the power of the Presidency to nullify or pervert the existing monetary law he would not hesitate to proclaim his purpose now. He does not leave us in doubt that if elected he would recommend the repeal of the gold standard and the passage of a free coinage act, but as these recommendations *must be made to a Congress hostile in at least one branch,* their rejection is certain, not because Republicans are immovably loyal to sound money, but because the very existence of the Republican party depends upon its opposition to the Democratic financial policy.

The same sincerity which would lead Mr. Bryan to recommend a change in the existing law which he might deem advisable *makes it absolutely certain that he would enforce every existing law with unflinching loyalty.* The man who, through all temptations and difficulties, has been loyal to his conceptions of duty as a party leader could not become disloyal to any obligation assumed on his inauguration as President.

No Danger From Panic.

I do not share your fear that Mr. Bryan's election will disturb business conditions *or that it involves the slightest danger of a panic.* The authors of this scare admit that he would have *no control over legislation and could not disturb the financial status in the least.* This is to pretend that men who have

shown the highest capacity for acquiring wealth would show a childish incapacity for preserving it. Panics proceed from actual conditions, not from groundless fears. No panic was ever caused by events which had not happened and which could not happen.

Disaster From McKinley's Election.

I think it can be demonstrated that disaster to our prosperity lies not in the election of Mr. Bryan, but in the success of Mr. McKinley. Imperialism, involving huge military operations, extravagant appropriations, and civic corruptions, the diversion of capital from profitable employments of industry to the destructive employments of war, the withdrawal of the flower of our youth from the fields of productive labor to the demoralizing idleness of barrack life, must necessarily operate to restrict the productive energies of the nation, and a restriction of production inevitably produces, not a temporary disturbance from which recovery, however slow, is always certain, but a commercial decay permanent, progressive and irremediable.

The Supreme Court.

Like the business scare, the charge that Democratic success will lead to an assault on the judiciary is an invention to delude the innocent. The independence of the Supreme Court, about which Republican managers express concern, *is in much graver peril from the success of Mr. McKinley* than from that of Mr. Bryan, for the simple reason that the Democrats, if successful, will have no power to legislate concerning it, *while the Republicans, if successful, will have full power to increase its membership or to alter its jurisdiction.*

WHETHER THE REPUBLICAN PARTY WOULD BE CAPABLE OF INVOKING THAT POWER TO FORCE A DECISION UPHOLDING THE CONSTITUTIONALITY OF THE IMPERIALISTIC PLANS OF GOVERNMENT FOR PORTO RICO OR THE PHILIPPINES MAY BE JUDGED BY THE MANNER IN WHICH THE SAME POWER WAS USED BY THE SAME PARTY TO FORCE A JUDICIAL SANCTION OF THE LEGAL TENDER ACTS.

Summary.

Under the actual political conditions of this country it seems that the dangers which you apprehend from Mr. Bryan's election are so distant as to be almost intangible, while the danger of imperialism from Mr. McKinley's success is palpable and pressing. Surely a citizen who places the safety of the country above the victory of a party should not be deterred by perils which are remote, if not fanciful, from casting his ballot to avert a peril which is imminent and deadly.

Next and last except one, in the arguments here presented by those who voted for McKinley four years ago, let us consider the statement of the case by Mr. Justice Brewer of the United States Supreme Court; a man who is ranked among the greatest of our jurists; a man of thorough training in economic and political science, and a Republican. The survey is a broad one, and therefore touches the deepest and most fundamental principles in our national organism.

Judge Brewer's Argument For the Republic and Against Empire.

In an address delivered before the Liberal Club of Buffalo, more than a year and a half ago, Mr. Justice Brewer spoke in part as follows:

Republic and Empire Distinguished.

It is said that the Anglo-Saxon race has manifested a capacity to govern well; that we are of that race, and that, therefore, we could well govern the Philippine Islands as colonies. I do not question the capacity of the race well and wisely to govern others. *I object to the Philippine policy because* IT ANTAGONIZES THE PRINCIPLES UPON WHICH THIS GOVERNMENT WAS FOUNDED, *which have controlled its life up to the present time, and the perfection of which has been the hope and aspiration of every true American.*

Very few nations, very few individuals, live up to their high ideals; *but surely the Declaration of Independence has been the ideal of our life, and we*

have striven to make it more and more real. NOW, GOVERNMENT BY FORCE IS THE VERY ANTIPODES OF THIS, AND TO INTRODUCE GOVERNMENT BY FORCE OVER ANY PORTION OF THE NATION IS TO START THE SECOND QUARTER OF THE SECOND CENTURY OF OUR LIFE UPON PRINCIPLES WHICH ARE THE EXACT OPPOSITE OF THOSE UPON WHICH WE HAVE HITHERTO LIVED. It is one thing to fail of reaching your ideal; it is an entirely different thing *to deliberately turn your back upon it.*

The test of the Government is not in the *outward mechanical display of order,* BUT IN THE CAPACITY TO DEVELOP THE BEST MEN, and we have lived in the faith that government by the consent of the governed develops the best men. We have not let the wise rule the ignorant, the learned the unlearned, the rich the poor, but we have appealed always to "the plain people" as the ones in whose judgment to rely, and upon whose shoulders should rest the burden of the government.

IDEALS ARE, AFTER ALL, THE ETERNAL FORCE. Human life and destiny are controlled by them. They may seem today of little significance but around them gather material interests, and tomorrow their power is disclosed.

Parting of the Ways.

Government by consent and government by force, no matter how well the government may be administered, *are two essentially antagonistic principles.* Doubtless no immediate conflict will follow. We may see a large measure of prosperity; *but are we not sowing the seeds which in the days to come will grow up into a harvest of trouble for our children and our children's children?*

Evils of Empire.

A necessity of colonial possessions is an increase in our regular army, and the first increase proposed is from 30,000 to 100,000 men. It is a strange commentary that at the close of the nineteenth century the head of *the most arbitrary government in the civilized world,* the Czar of the Russias, is inviting the nations of the world *to a decrease in their arms,* while this, the freest land, IS PROPOSING AN INCREASE IN ITS. Yet such seems to be the imperative need, if we enter upon the system of colonial expansion.

Great Economic Questions Confront Us.

Now the great economic problem in this country is *not* how can a few men make more money and pile up larger fortunes, BUT HOW CAN THE GREAT BODY OF THE PEOPLE MAKE A FAIR AND COMFORTABLE LIVING? The right to work is again and again insisted upon as more important than the right to vote, and the cry of the right to work is supplemented by the cry that the state furnish work to all who cannot obtain it elsewhere.

Are we likely to aid in solving this problem by bringing into our national life 10,000,000 or 12,000,000 of unskilled Malay laborers? We have shut the doors against the Chinese. Are they any worse than the Malay? Shall we introduce in this nation more cheap labor? I do not wonder at the action of the Federation of Labor in protesting against a new competition of cheap labor as well as an increase of the army, with its consequent increase of burden and taxation on the employed laborer.

Money in it for a Few—Evils From Concentrated Wealth.

BUT THERE IS MONEY IN IT. And, after all, *this is really the most potent factor in the proposed reaching out after the islands of the Orient.* The wealth of Ormus and of Ind is today, as in the days of Milton, the expectation and the dream of many. Possession of the Orient, with its accumulated wealth of centuries, dazzles the imagination and confuses the judgment. The haze of mystery hangs over that vast domain. Wealth untold is believed to be there, ready to be appropriated by any dominant power. ALL THE NATIONS AND TRIBES come within Lord Salisbury's definition of *dying nations,* and must soon be divided between and appropriated by the living and growing nations. China is held out as a dying nation, filled with inexhaustible wealth, and why should we not share in its appropriation? What a picture this is! THE EAGLE OF LIBERTY STANDING LIKE A BUZZARD TO GROW FAT OVER AN EXPECTED CORPSE.

"Ill fares the land, to hastening ills a prey,
Where wealth accumulates and men decay."

The Cæsars saw the spears of their victorious legions flash in the sunlight of every known land, and in their triumphant return they brought with them the accumulated wealth of all the nations they had subdued. The splendor of imperial Rome outshone the world, *but the wealth thus obtained* WITHOUT VALUE GIVEN UNDERMINED THE EMPIRE,

and the glory of Rome is simply a memory. NAPOLEON BEHELD THE SHINING STAR OF DESTINY; AND THEN? Does human nature change through the centuries? WE STAND TODAY FACING THE TEMPTATION WHICH COMES FROM THE POSSIBILITY OF RAPIDLY ACCUMULATED WEALTH. *What right have we to anticipate that the same result will not follow* IF WE PURSUE THE SAME COURSE OF TAKING WHAT WE HAVE NOT FULLY EARNED?

Our Present Form of Government.

The problem we have sought to work out in this nation is that of "government of and by and for the people." A great nation upon that principle *seems possible only under a federal system*, a system which relegates all matter of local interest to the several states, and exercises through the national government *only those powers and functions which make for the general welfare.* We have wonderfully prospered in administering such system in a compact, continental territory, each part of which has been possessed and controlled by a race capable of self-government.

"Duty" and "Destiny" Derided.

This is no trifling question and is not answered by any gush about duty and destiny—in fact, all this talk about destiny is wearisome. We make our own destiny. *We are not the victims but the masters of fate,* AND TO ATTEMPT TO UNLOAD UPON THE ALMIGHTY, RESPONSIBILITY FOR THAT WHICH WE CHOOSE TO DO IS NOT ONLY AN INSULT TO HIM, BUT TO ORDINARY HUMAN INTELLIGENCE.

Blessings of Our Example.

We are told we have become so great and powerful that the world needs us, but what the world most needs is not the touch of our *power*, BUT THE BLESSINGS OF OUR EXAMPLE. It needs the bright example of a free people not disturbed by any illusions of territorial acquisition, of pecuniary gain or military glory, but content with their possessions and striving through all the abilities, activities and industries of their wisest and most earnest to make the life of each individual citizen happier, better and more content.

Two Courses—Which Will You Choose.

Two visions rise before me:

One of a nation growing in population, riches and strength; reaching out the strong hand *to bring within its dominion weaker and distant races and lands; holding them* BY FORCE *for the rapid wealth they may bring*—with perhaps the occasional glory, success and sacrifice of war; *a wondrously luxurious life* INTO WHICH THE FORTUNATE FEW SHALL ENTER; an accumulation of magnificence which for a term will charm and dazzle, and then the shadow of the awful question whether human nature has changed, and the old law, that history repeats itself, has lost its force, whether *ascending splendor of imperial power* IS TO BE FOLLOWED BY THE DESCENDING GLOOM OF LUXURY, DECAY AND RUIN.

The other of a nation where *the spirit of the Pilgrim and the Huguenot remains the living and controlling force,* affirming that the Declaration of Independence, the farewell address of the father of his country and the Monroe doctrine *shall never pass into innocuous desuetude;* DEVOTING ITS ENERGIES TO THE DEVELOPMENT OF THE INEXHAUSTIBLE RESOURCES OF ITS GREAT CONTINENTAL TERRITORY; SOLVING THE PROBLEM OF UNIVERSAL PERSONAL AND POLITICAL LIBERTY—OF A GOVERNMENT BY THE CONSENT OF THE GOVERNED—WHERE NO KING, NO CLASS AND NO RACE RULES, BUT EACH INDIVIDUAL HAS EQUAL VOICE AND EQUAL POWER IN THE CONTROL OF ALL; *where wealth comes* ONLY AS THE COMPENSATION FOR HONEST TOIL OF HAND OR BRAIN; *where public service* IS PRIVATE DUTY; A NATION WHOSE SUPREME VALUE TO THE WORLD LIES NOT IN ITS POWER, BUT IN ITS UNFAILING LOYALTY TO THE HIGH IDEALS OF ITS YOUTH, ITS FOREVER LIFTING ITS STRONG HAND, NOT TO GOVERN, BUT TO PROTECT THE WEAK; AND THUS IS AS A SHINING LIGHT WHICH BRIGHTENS MORE AND MORE INTO THE FADELESS ETERNAL DAY.

B. EARLY REPUBLICAN DOCTRINE.

1. Platform of 1856.

The first National Republican Convention, at Philadelphia, June 17, 1856, which nominated John C. Fremont, declared:

This convention of delegates assembled in pursuance of a call addressed to the people of the United States, *without regard to past political differences or divisions*, who are opposed to the repeal of the Missouri Compromise, to the policy of the present administration, to the extension of slavery into free territory, in favor of admitting Kansas as a free State, *of restoring the action of the Federal Government* TO THE PRINCIPLES OF WASHINGTON AND JEFFERSON, and who purpose to unite in presenting candidates for the offices of President and Vice-President, do resolve as follows:

Resolved, That *the maintenance of the principles promulgated in the Declaration of Independence and embodied in the Federal Constitution* IS ESSENTIAL TO THE PRESERVATION OF OUR REPUBLICAN INSTITUTIONS, and that the Federal Constitution, the rights of the States, and the Union of the States, *shall be preserved.*

Resolved, That the Constitution confers upon Congress sovereign power over the Territories of the United States for their government, and that in the exercise of this power it is both the right and the duty of Congress to prohibit in the Territories *those twin relics of barbarism*, POLYGAMY AND SLAVERY.

Resolved, *The highwayman's plea that* "MIGHT MAKES RIGHT," embodied in the Osten circular, *was in every respect unworthy of American diplomacy, and would bring shame and dishonor upon any government or people that gave it their sanction.*

2. Republican Platform of 1860.

The Republican National Convention, at Chicago, May 16-18, 1860, which nominated Abraham Lincoln, resolved:

* * * * * * *

2. That the maintenance of the principles promulgated in the Declaration of Independence and embodied in the Federal Constitution, "That all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness; that to secure these rights, governments are instituted among men, *deriving their just powers from the consent of the governed*," IS ESSENTIAL TO THE PRESERVATION OF OUR REPUBLICAN INSTITUTIONS; and that the Federal Constitution, the rights of the States and the Union of the States *must and shall be preserved.*

* * * * * * *

9. That we brand THE RECENT REOPENING OF THE AFRICAN SLAVE TRADE, UNDER THE COVER OF OUR NATIONAL FLAG, aided by the perversions of judicial power, AS A CRIME AGAINST HUMANITY AND A BURNING SHAME TO OUR COUNTRY AND AGE; and we call upon Congress to take prompt and efficient measures for the total and final suppression of that execrable traffic.

3. Lincoln and the Principles He Stood for.

It was upon the foregoing declaration of principles that Abraham Lincoln stood and for it that he laid down his life. Every act of that great patriot and seer was centered upon the principle of self-government as opposed to government by others; in other words, equal rights to individuals and nations, instead of government by others. Some of his statements of this great moral law are as follows. They were uttered in opposition to the arrogant slave power:

It is now no child's play to save the principles of Jefferson FROM TOTAL OVERTHROW OF THIS NATION. * * * The principles of Jefferson are the defini-

tions and axioms of free society; *and yet they are denied and evaded, with no small show of success.* One dashingly calls them *"glittering generalities."* Another bluntly calls them *"self-evident lies."* Others insidiously argue that *they apply to "superior races."* These expressions, differing in form, *are identical in object and effect,* THE SUPPLANTING THE PRINCIPLES OF FREE GOVERNMENT, AND RESTORING THOSE OF CLASS, CASTE, AND LEGITIMACY. THEY WOULD DELIGHT A CONVOCATION OF CROWNED HEADS PLOTTING AGAINST THE PEOPLE. They are the vanguard, the miners and sappers *of returning despotism. We must repulse them, or they will subjugate us. This is a world of compensation* AND HE WHO WOULD BE NO SLAVE MUST CONSENT TO HAVE NO SLAVE. THOSE WHO DENY FREEDOM TO OTHERS DESERVE IT NOT THEMSELVES, AND UNDER A JUST GOD, CANNOT LONG RETAIN IT.

* * * Today, and in all coming days, it [Declaration of Independence] shall be a rebuke and a stumbling block to the very harbingers of reappearing tyranny and oppression.

(Letter to H. L. Pierce, April 6, 1859, Works, Vol. 1, p. 532.)

I have always thought that *all men should be free, but if any should be slaves, it should be first those who desire it for themselves,* AND, SECONDLY, THOSE WHO DESIRE IT FOR OTHERS.

(Lincoln's Complete Works, Vol. 2, p. 662; see also pages 156, 159, 170, above, and 226, below.)

4. A Comparison by One of the Founders of the Republican Party.

Ex-Governor Edgerton, of Ohio, is one of the few men living who assisted in the founding of the Republican party, and attended the first National Convention at Philadelphia, the place wherein the Declaration of Independence was signed. Last June Chairman Hanna and Secretary Dick of the Republican National Committee invited Gov. Edgerton to attend, at Philadelphia, the Twelfth National Convention of the Republican party. The following is Gov. Edgerton's answer:

Gov. Edgerton's Letter.

I am, indeed, very unequal to the task to which you have invited me, for I am borne down by the weight of many years and am laboring under great infirmities of body. Nevertheless, I should feel it my duty to hazard the undertaking if my journey thither and my presence there *could at all promote the keeping by the coming convention of the ancient faith of the Republican party or the maintenance of its ancestral honor.* What that convention will do is absolutely known to you and is substantially known to me. From this knowledge I am persuaded that the condition of my attendance above referred to, must fail —has failed in advance—and *the condition failing, my presence must fail also.*

The Philadelphia Convention of 1856 was made up of men who had convictions of political right and duty and the courage of them. And they came together for conference and comparison of views, to the end that by wise and tolerant concert of political effort the welfare of the people might be promoted, and the great cause of human liberty advanced.

The Philadelphia Convention of 1900 has for its sole work to ratify and register a political rescript set forth by one man, having for its purpose to perpetuate in power an Administration which has wholly disregarded the interests of the masses.

The Pittsburg Convention of 1856 was held on the birthday of Washington, and the Philadelphia Convention of that year was called on June 17, the anniversary of the battle of Bunker Hill, the significance of which dates will suggest itself to you.

Your convention will eulogize and endorse with fulsome praise a policy which has turned its back upon the last counsel of Washington to his people, and which is organized to sneer at the principles for which he fought, and will commend an Administration which, for its simple lackeying and truckling subserviency to Great Britain has not its match in history, and this, too, by a President whose principal stock in trade for a generation past has been our economic wrongs suffered at the hands of this hereditary industrial enemy of ours.

The convention held at Philadelphia in 1856 addressed its declaration of doctrine to those who were *in favor of* RESTORING the action of the Federal Government TO THE PRINCIPLES OF WASHINGTON AND JEFFERSON.

The Philadelphia Convention.

The Philadelphia Convention of this year will be made up of men in whose view the principles of Washington and Jefferson *are avowedly antiquated and out of date*—useful only in the orations of the Fourth of July or the warmed-over porch-platitudes of a political campaign, and it will *in terms countenance a policy which denies to* 10,000,000 *persons within our exclusive jurisdiction the inalienable rights* WHICH IN ITS EARLIER DAYS THE REPUBLICAN PARTY THUS GUARANTEED, a policy which avows its purpose of governing subject peoples without their consent, outside of constitutional principles and safeguards, at the caprice of irresponsible appointees or a venal majority in Congress, and in flagrant and derisive violation of the priciples of Washington and Jefferson and those promulgated in the Declaration of Independence and embodied in the Federal Constitution.

Your convention will vociferously uphold and applaud the doings of an Administration which, *doubling in its own track, within a space of sixty days*, has broken faith with an innocent and confiding people, who by the hazards of war, passed under its jurisdiction—an act rightly characterized by itself as the breach of a "plain duty"—at the command of the conscienceless and mercenary appetite for plunder possessed by those by *whom that Administration was created*, AND WHICH THUS IS CONSTRAINED TO REMEMBER ITS CREATOR.

It will endorse a policy which, *thus lawlessly put in motion*, has already begun to bear the fruits of lawlessness in the peculations being perpetrated by our officials upon those whom it appears we rescued from one set of brigands only to turn loose upon them another, and it will denounce the individual thieves, in apparent forgetfulness that the thievery is but the symptom and necessary sequence of an irresponsible despotism. FOR A GOVERNMENT OF PEOPLES OUTSIDE OF CONSTITUTIONAL SANCTIONS IS, UPON ANY RATIONAL REPUBLICAN THEORY, BUT A DESPOTISM, and it is so not the less because it is promised to be administered benevolently and for the good of the governed; THE FACT THAT THEY ARE GOVERNED WITHOUT THEIR CONSENT PUTS THE POLICY AT WAR WITH THE REPUBLICAN DOCTRINE OF 1856.

And so, being irresponsible at its source *the principle of irresponsibility permeates the entire fabric and stealing and spoliation by subordinates follow as night succeeds the day.*

Shortly before the convention of 1856 a man of some prominence then and later, said:

Principles of Lincoln.

"When the white man governs himself, that is self-government; but when he governs himself and also governs another man, that is more than self-government—that is despotism.

"What I do say is that no man is good enough to govern another man without that man's consent. Little by little, but steadily as man's march to the grave, we have been giving up the old for the new faith.

"Near eighty years ago we began by declaring that all men are created equal; but now from that beginning we have run down to the other declaration that for some men to enslave others is a 'sacred right of self-government.' These principles cannot stand together. THEY ARE AS OPPOSITE AS GOD AND MAMMON."

"The utterer of these words was Abraham Lincoln. Was he a Republican or not? Measured by the standard of 1856, *he plainly was.* Judged by the test which will govern the Philadelphia Convention of this year *just as plainly he was not.*

* * *

In conclusion, Gov. Edgerton says:

The last words spoken by my illustrious and patriotic namesake, Algernon Sidney, as he laid his head upon the block on Tower Hill was to thank his Maker for the opportunity to say a final word for that "old cause," "in which I was from my youth engaged"—the "old cause," as he pathetically called the cause of CONSTITUTIONAL LIBERTY.

5. Utterances of an Anti-Imperialist Republican Senator.—Senator Wellington.

During the debate in the Senate, April 3, 1900, on the Porto Rican Bill, Senator Wellington, of Maryland, a Republican, referred to the proposition to place a duty on commerce between Porto Rico and the United States, and said:

a. OBJECTS TO DOCTRINE AS TO PORTO RICO.

"The highest thought and clearest judgment within the party condemned it; but the lash was applied, the Administration called its every prerogative in-

to service, and with few exceptions the Republican membership of the House of Representatives placed itself upon record in favor of the bill, *which transgresses every principle of national honor, of patriotism, good faith and benevolence.* * * * I can not support it. I refuse to give my adherence to it. The years of my youth and manhood have been devoted to the service of the Republican party. * * * I have loved and served the Republican party because I believed in the warp and woof of its victory were bound up the progress and advancement of my country, the elevation of men, and the perpetuity of self-government. SIR, I AM NOT CHARMED WITH A NAME WHEN THE PRINCIPLE IS LOST. A rose by any other name would smell as sweet.

The Republican party by its name can not lead me against my convictions to do that which I believe to be unrighteous and unjust. *I will not follow upon the new adventure* which would compel me to discard at the first step the noble sentiment which I have ever held to be the strongest reason for the existence of the Republican party.

And Senator Wellington has taken the stump for the defeat of McKinley and the election of Bryan. He does so as an Anti-Imperialist Republican.

b. OBJECTS TO McKINLEY'S PHILIPPINE POLICY.

In speaking upon the Philippine question in the United States Senate, Mr. Wellington said:

"And, sir, to my mind a golden opportunity to give the world a bright example of our faith by our works is *to crown the desire of the Filipino for self-government with fulfilment.* * * * If it be the purpose of the Administration and the majority party *to seize and hold perpetually the Philippine Islands as colonies,* LET IT BE MADE KNOWN IN A DIRECT, UNEQUIVOCAL AND MANLY FASHION. Doubt and uncertainty will cease, and the nation will stand face to face with a new dispensation in its affairs. I shall protest against it. I have a deep conviction that it will be *a national crime,* which would ever blot the escutcheon of the nation and remain a stain upon the national honor. *And having these convictions, I must stand against every attempt made to carry into effect such a grievous error.*

"I COME OF A STUBBORN RACE. We are perhaps dull and slow of learning, *but a lesson once taught is with us not easily forgotten,* an opinion once formed, which becomes *a heartfelt conviction,* WILL NOT BE SURRENDERED. History tells us that nearly four centuries ago a German peasant became an Augustinian monk. As such, after years of mental struggle, *he found himself compelled to stand against the existing order.* He became the great reformer of the 16th century, and as he stood alone before the combined forces of the Roman hierarchy and the German Empire, *he refused to recant what he had written,* and when the anathema of the church and the ban of the empire were about to be hurled upon his devoted head, he stood before the vast assemblage and said: 'I HAVE A DEEP CONVICTION. I CANNOT RECANT, UNLESS I AM REFUTED. IT IS NOT EXPEDIENT TO ACT AGAINST CONSCIENCE. GOD HELP ME. AMEN.' Coming of his race and people, I feel today a faint reflection of the strong will and fixed conviction of this man. I have a deep conviction. It has not been shaken, *and I will not swerve from it;* and I close my appeal for justice to the Filipino with a declaration that neither party policy nor personal interest in a future career shall cause me to surrender the right, 'as God gives me to see the right.'"

c. ATTITUDE IN CAMPAIGN: "DEFEAT McKINLEY."

After the Republican Convention adopted the new policy of government by force and the holding of subject races, Senator Wellington refused to change his principles. In his speech, opening the campaign in Maryland, he said:

"*I have not learned the art of voicing one sentiment in the Senate* AND ACTING UPON ANOTHER UPON THE HUSTINGS. I was compelled to differ from the governmental policy of President McKinley, as it developed. I gave evidence of my disagreement in the speeches I delivered in the Senate. *I am here tonight* TO REITERATE THE CONVICTIONS I VOICED IN THE SENATE. I am here tonight to declare my unalterable antagonism to the policy of imperialism and to the representative of that vicious principle. * * *

"*I am not a Democrat* BUT I AM AN ANTI-IMPERIALIST REPUBLICAN, AND I PROMISE YOU NOW THAT I SHALL WORK AND VOTE AGAINST WILLIAM McKINLEY."

After these introductory remarks,

Senator Wellington arraigned in a forceful way the evils in the McKinley Administration. He was listened to with careful attention, and, although the people assembled were eager to hear Mr. Bryan, there was no show of impatience. "They applauded Wellington almost as wildly as they applauded Bryan." "Nobody," continues the newspaper report, "who witnessed the remarkable respect shown the Senator tonight can longer doubt that the Senator's bolt from McKinley will cost the President thousands of votes in Maryland and elsewhere."

At the close of Senator Wellington's speech Mr. Bryan was introduced, and said:

MR. BRYAN'S REMARKS.

"I have listened tonight to a speech that ought to produce a profound impression on the American people. It is not necessary that I should make my address long. I believe with Senator Wellington that *the claims of the country are greater than party affiliations; that one should serve convictions and not party ties.* I heard a few hisses here while Senator Wellington spoke. I want to ask them if they hissed when the Democratic Senators left the party on the money question. If the Democratic Senators have a right to leave their party to save the gold standard, HAS NOT A REPUBLICAN SENATOR A RIGHT TO LEAVE HIS PARTY TO SAVE THE DECLARATION OF INDEPENDENCE?"

Mr. Bryan here drew a parallel between physical and moral courage, and said: *"What this nation needs is* MORE OF THE COURAGE OF A CITIZEN WHO WOULD RATHER DIE RIGHT THAN LIVE WRONG. It requires moral courage for a man to separate from his party. *It is easier for a man who holds no office than for a man who has been honored with an office.* Has he not the courage to break party ties, and withstand the hisses of those who have no argument to answer him? Has he come to us for money? *No man could come to the Democratic party for money.* Has he come for honor? *His own party has given him honors.* IF THERE BE ONE OF HIS REPUBLICAN ASSOCIATES WHO THINKS HIS JUDGMENT IS ERRONEOUS LET HIM READ HIS SPEECH AND PREPARE ONE IN ANSWER. * * *

"Senator Wellington and I do not agree upon the money question BUT WE BELIEVE IN THE DECLARATION OF INDEPENDENCE."

C. REPUBLICAN IDEALS OF THE FATHERS.

Washington.

Observe good faith and justice TOWARD ALL NATIONS. Cultivate peace and harmony with all. Religion and morality enjoin this conduct; and can it be that governmental policy does not equally enjoin it? It will be worthy of a free, enlightened, and at a no distant period, a great nation, *to give to mankind the magnanimous and too novel an example of* A PEOPLE ALWAYS GUIDED BY AN EXALTED JUSTICE AND BENEVOLENCE.

Jefferson.

If there be one principle more deeply rooted than any other in the mind of every American, it is that WE SHOULD HAVE NOTHING TO DO WITH CONQUEST.

Hamilton.

When any people are held by laws, in framing which they have no part, that are to bind them to all intents and purposes *without in the same manner binding the legislators,* THEY ARE IN THE STRICTEST SENSE SLAVES AND THE GOVERNMENT IN RESPECT TO THEM IS DESPOTIC.

John Quincy Adams.

John Quincy Adams, in a speech delivered in Washington, D. C., July 24, 1821, said:

"She [Columbia] has seen that probably for centuries to come all the contests of that aceldama, the European world, will be *contests between the inveterate power and emerging right.* Wherever the standard of freedom and independence has been or shall be unfurled, *there will her heart, her benedictions, and her prayers be.* But she goes not abroad in search of monsters to destroy. *She is the well-wisher to the freedom and independence to* ALL. She is the champion and vindicator only of her own. She will recommend the general cause by the countenance of her voice and the benignant sympathy of her example. She well knows that *by once enlisting under other banners* than her own, were they even the banners of foreign independence, *she would involve herself beyond the power of extrication in all the wars of interest and intrigue, of individual avarice, envy,*

and ambition which assume the colors AND USURP THE STANDARD OF FREEDOM. The fundamental maxims of her policy WOULD INSENSIBLY CHANGE FROM LIBERTY TO FORCE. The frontlet upon her brows would no longer beam with the ineffable splendor of freedom and independence; *but in its stead would soon be substituted an imperial diadem*, flashing in false and tarnished lustre the murky radiance of dominion and power. She might become the dictatress of the world; *she would no longer be the ruler of her own spirit.*"

Webster.

Daniel Webster, speaking in the Senate in 1846, declared:

"An *arbitrary* government may have territorial governments in distant possessions, *because an arbitrary government may rule its distant territories* BY DIFFERENT LAWS AND DIFFERENT SYSTEMS. Russia may govern the Ukraine and the Caucasus and the Kamchatka by different codes or ukases. WE CAN DO NO SUCH THING. THEY MUST BE OF US, PART OF US, OR ELSE ESTRANGED [i. e., citizen or alien]. I think I see, then, in progress what is to disfigure and distort the Constitution, under which we live, into a deformed monster, into a curse, rather than a blessing, *into a great frame of* UNEQUAL *government*, not founded on popular representation, but founded on the grossest inequalities; and I think IF IT GO ON—*for there is a great danger that it will go on*—THAT THIS GOVERNMENT WILL BE BROKEN UP."

Lincoln.

NO MAN IS GOOD ENOUGH TO GOVERN ANOTHER WITHOUT THAT OTHER'S CONSENT.

(See also pages 156, 159, 170, 222, above.)

Grant.

(See page 170, above.)

Sumner.

Charles Sumner, in advocating the treaty with Russia in ceding Alaska to the United States, said:

"There is one other point on which I file my caveat. This treaty must not be a precedent for a system of *indiscriminate and costly annexation.* * * * I cannot disguise my anxiety that every stage in our predestined future [of expansion] shall be by natural processes, *without war, and* I will add, EVEN WITHOUT PURCHASE. THERE IS NO TERRITORIAL AGGRANDIZEMENT WHICH IS WORTHY THE PRICE OF BLOOD. * * * Let the Republic be assured in tranquil liberty, WITH ALL EQUAL BEFORE THE LAW, AND IT WILL CONQUER BY ITS SUBLIME EXAMPLE."

D. PRINCIPLES OF THE DEMOCRATIC, SILVER REPUBLICAN AND PEOPLE'S PARTIES.

Kansas City Platform.

Adopted by the Democratic National Convention, Held at Kansas City, July 4, 1900.

DECLARATION OF PRINCIPLES.

We, the representatives of the Democratic party of the United States, assembled in national convention on the anniversary of the adoption of the Declaration of Independence, do reaffirm our faith in that immortal proclamation of the inalienable rights of man, and our allegiance to the constitution framed in harmony therewith by the fathers of the Republic. We hold with the United States Supreme Court that the Declaration of Independence is the spirit of our government, of which the constitution is the form and letter. We declare again that all governments instituted among men derive their just powers from the consent of the governed; that any government not based upon the consent of the governed is a tyranny; and that to impose upon any people a government of force is to substitute the methods of imperialism for those of a republic. We hold that the constitution follows the flag and denounce the doctrine that an executive or Congress, deriving their existence and their powers from the constitution, can exercise lawful authority beyond it, or in violation of it. We assert that no nation can long endure half republic and half empire, and we

warn the American people that imperialism abroad will lead quickly and inevitably to despotism at home.

PORTO RICAN LAW DENOUNCED.

Believing in these fundamental principles, we denounce the Porto Rico law, enacted by a Republican Congress against the protest and opposition of the Democratic minority, as a bold and open violation of the nation's organic law and a flagrant breach of national good faith. It imposes upon the people of Porto Rico a government without their consent, and taxation without representation. It dishonors the American people by repudiating a solemn pledge made in their behalf by the commanding general of our army, which the Porto Ricans welcomed to a peaceful and unresisted occupation of their land. It dooms to poverty and distress a people whose helplessness appeals with peculiar force to our justice and magnanimity. In this, the first act of its imperialistic program, the Republican party seeks to commit the United States to A COLONIAL POLICY INCONSISTENT WITH REPUBLICAN INSTITUTIONS AND CONDEMNED BY THE SUPREME COURT IN NUMEROUS DECISIONS.

PLEDGE TO THE CUBANS.

We demand the prompt and honest fulfillment of our pledge to the Cuban people and the world, that the United States has no disposition nor intention to exercise sovereignty, jurisdiction or control over the island of Cuba, except for its pacification. The war ended nearly two years ago, profound peace reigns over all the island, and still the administration keeps the government of the island from its people, WHILE REPUBLICAN CARPETBAG OFFICIALS PLUNDER ITS REVENUES AND EXPLOIT THE COLONIAL THEORY TO THE DISGRACE OF THE AMERICAN PEOPLE.

THE PHILIPPINE QUESTION.

We condemn and denounce the Philippine policy of the present administration. It has embroiled the Republic in an unnecessary war, sacrificed the lives of many of its noblest sons, and placed the United States, previously known and applauded throughout the world as the champion of freedom, in the false and un-American position of crushing with military force the efforts of our former allies to achieve liberty and self-government. The Filipinos cannot be citizens without endangering our civilization; they cannot be subjects without imperiling our form of government; and as we are not willing to surrender our civilization, or to convert the republic into an empire, we favor an immediate declaration of the nation's purpose to give to the Filipinos, FIRST, A STABLE FORM OF GOVERNMENT; SECOND, INDEPENDENCE; AND THIRD, PROTECTION FROM OUTSIDE INTERFERENCE SUCH AS HAS BEEN GIVEN FOR NEARLY A CENTURY TO THE REPUBLICS OF CENTRAL AND SOUTH AMERICA.

The greedy commercialism which dictated the Philippine policy of the Republican administration attempts to justify it with the plea that it will pay, but even this sordid and unworthy plea fails when brought to the test of facts. The war of "criminal aggression" against the Filipinos, entailing an annual expense of many millions, HAS ALREADY COST MORE THAN ANY POSSIBLE PROFIT COULD ACCRUE FROM THE ENTIRE PHILIPPINE TRADE FOR YEARS TO COME. FURTHERMORE, WHEN TRADE IS EXTENDED AT THE EXPENSE OF LIBERTY THE PRICE IS ALWAYS TOO HIGH.

TERRITORIAL EXPANSION.

We are not opposed to territorial expansion, when it takes in desirable territory which can be erected into states in the Union, and whose people are willing and fit to become American citizens. WE FAVOR TRADE EXPANSION BY EVERY PEACEFUL AND LEGITIMATE MEANS. But we are unalterably opposed to the seizing or purchasing of distant islands to be governed outside the constitution and

whose people can never become citizens.

We are in favor of extending the Republic's influence among the nations, but believe THAT INFLUENCE SHOULD BE EXTENDED NOT BY FORCE AND VIOLENCE, BUT THROUGH THE PERSUASIVE POWER OF A HIGH AND HONORABLE EXAMPLE.

THE PARAMOUNT ISSUE.

The importance of other questions now pending before the American people is in no wise diminished, and the Democratic party takes no backward step from its position on them; but the burning issue of imperialism, growing out of the Spanish war, INVOLVING THE VERY EXISTENCE OF THE REPUBLIC AND THE DESTRUCTION OF OUR FREE INSTITUTIONS, WE REGARD AS THE PARAMOUNT ISSUE OF THE CAMPAIGN.

THE MONROE DOCTRINE.

The declaration of the Republican platform adopted at the Philadelphia convention held in June, 1900, that the Republican party "steadfastly adheres to the policy announced in the Monroe doctrine," is manifestly insincere and deceptive. THIS PROFESSION IS CONTRADICTED BY THE AVOWED POLICY OF THAT PARTY, IN OPPOSITION TO THE SPIRIT OF THE MONROE DOCTRINE, TO ACQUIRE AND HOLD SOVEREIGNTY OVER LARGE AREAS OF TERRITORY AND LARGE NUMBERS OF PEOPLE IN THE EASTERN HEMISPHERE.

We insist on the strict maintenance of the Monroe doctrine in all its integrity, both in letter and in spirit, as necessary to prevent the extension of European authority on these continents and as essential to our supremacy in American affairs. AT THE SAME TIME WE DECLARE THAT NO AMERICAN PEOPLE SHALL EVER BE HELD BY FORCE IN UNWILLING SUBJECTION TO EUROPEAN AUTHORITY.

OPPOSITION TO MILITARISM.

We oppose militarism. It means conquest abroad and intimidation and oppression at home. It means the strong arm which has ever been fatal to free institutions. It is what millions of our citizens have fled from in Europe. It will impose upon our peace-loving people a large standing army, an unnecessary burden of taxation, and would be a constant menace to their liberties. A small standing army and a well disciplined state militia are amply sufficient in time of peace. This Republic has no place for a vast military establishment, a sure forerunner of compulsory military service and conscription. When the nation is in danger the volunteer soldier is his country's best defender. The National Guard of the United States should ever be cherished in the patriotic hearts of a free people. Such organizations are ever an element of strength and safety. For the first time in our history and coeval with the Philippine conquest has there been a wholesale departure from our time-honored and approved system of volunteer organization. WE DENOUNCE IT AS UN-AMERICAN, UNDEMOCRATIC AND UNREPUBLICAN AND AS A SUBVERSION OF THE ANCIENT AND FIXED PRINCIPLES OF A FREE PEOPLE.

Such is the platform of the Kansas City Convention. The platforms of the People's and Silver Republican parties are agreed on the foregoing questions.

E. BRYAN AND STEVENSON'S SPEECHES OF ACCEPTANCE.

The nominees of the Democratic, People's and Silver Republican Parties were Colonel William J. Bryan, ex-Congressman and their nominee for President in 1896, for President of the United States, and General Adlai E. Stevenson, ex-Congressman and former Vice President for Vice President. At Indianapolis, August 8, 1900, they formally accepted the nominations. Their speeches have been read by every thinking man and woman in the United States, and admired by every liberty-lover, and therefore are not reproduced here except the closing portions.

Mr. Stevenson's Position.

"If ultimate statehood for these remote islands (the Philippines) and others yet to be conquered, be declaimed, how, then, are they to be held and governed? The only alternative is by force—by the power of army and navy, and this not for a day or for a year, but for all time. *What, then, becomes of the bedrock principle that governments derive their just powers from the consent of the governed? If they are to be held permanently as conquered provinces it will be not only outside of the Constitution, but in direct antagonism to the letter and spirit of the Declaration of Independence. It is no less true now than in the days of our Revolution that 'government by arbitrary power is still despotism.' The attempt, then, either to give these people American citizenship or to hold them as subjects is alike to us fraught with peril. Should there not be an immediate declaration by our government of its purpose toward them? They should be given unmistakable assurance of independence. Protection by our government should not be withheld against outside interference. The same protection should be theirs heretofore extended to the little States of Central and South America. Under existing conditions there should be no hesitation upon our part in giving them protection against the cupidity or aggressive spirit of other nations. All this, not to the end of subjugation or of conquest upon our part, but to that of the full enjoyment by them of liberty and of the ultimate establishment of stable government furnished by their own hands.*

Against this policy stands imperialism. In American politics the word is new—fortunately the policy is new. We are daily becoming familiar with its meaning, with its forebodings—and the end is not yet. It means a permanent departure from all the traditions of the past; from the high ideals of the founders of the Republic. It abrogates the holding of our great court that the Declaration of Independence is the spirit of the Government—the Constitution but its form and letter. Imperialism knows nothing of the limitations of power. Its rule is outside of the Constitution. It means the adoption by the American Republic of the colonial methods of European monarchies. It means the right to hold alien people as subjects. It enthrones force as the controlling agency in government. It means the empire.

Mr. Bryan's Position.

When our opponents are unable to defend their position by argument they fall back upon the assertion that it is destiny, and insist that we must submit to it, no matter how much it violates our moral precepts and our principles of government. This is a complacent philosophy. It obliterates the distinction between right and wrong and makes individuals and nations the helpless victims of circumstance.

Destiny is the subterfuge of the invertebrate, who, lacking the courage to oppose error, seeks some plausible excuse for supporting it. Washington said that the destiny of the republican form of government was deeply, if not finally, staked on the experiment intrusted to the American people. How different Washington's definition of destiny from the Republican definition!

The Republicans say that this nation is in the hands of destiny; Washington believed that not only the destiny of our own nation but the destiny of the republican form of government through-

out the world was intrusted to American hands. Immeasurable responsibility! The destiny of this Republic is in the hands of its own people, and upon the success of the experiment here rests the hope of humanity. No exterior force can disturb this Republic, and no foreign influence should be permitted to change its course. What the future has in store for this nation no one has authority to declare, but each individual has his own idea of the nation's mission, and he owes it to his country as well as to himself to contribute as best he may to the fulfillment of that mission.

Mr. Chairman and Gentlemen of the Committee: I can never fully discharge the debt of gratitude which I owe to my countrymen for the honors which they have so generously bestowed upon me; but, sirs, whether it be my lot to occupy the high office for which the convention has named me, or to spend the remainder of my days in private life, it shall be my constant ambition and my controlling purpose to aid in realizing the high ideals of those whose wisdom and courage and sacrifices brought this Republic into existence.

I can conceive of a national destiny surpassing the glories of the present and the past—a destiny which meets the responsibilities of today and measures up to the possibilities of the future. Behold a republic, resting securely upon the foundation stones quarried by revolutionary patriots from the mountain of eternal truth—a republic applying in practice and proclaiming to the world the self-evident proposition that all men are created equal; that they are endowed with inalienable rights; that governments are instituted among men to secure these rights, and that governments derive their just powers from the consent of the governed. Behold a republic in which civil and religious liberty stimulate all to earnest endeavor and in which the law restrains every hand uplifted for a neighbor's injury—a republic in which every citizen is a sovereign, but in which no one cares to wear a crown. Behold a republic standing erect while empires all around are bowed beneath the weight of their own armaments—a republic whose flag is loved while other flags are only feared. Behold a republic increasing in population, in wealth, in strength and in influence, solving the problems of civilization and hastening the coming of an universal brotherhood—a republic which shakes thrones and dissolves aristocracies by its silent example and gives light and inspiration to those who sit in darkness. Behold a republic gradually but surely becoming a supreme moral factor in the world's progress and the accepted arbiter of the world's disputes—a republic whose history, like the path of the just, "is as the shining light that shineth more and more unto the perfect day."

ALLIED PRINTING TRADES UNION LABEL COUNCIL CHICAGO, ILL. 124

The most remarkable thing in connection with the Trusts is the unblushing statement by the McKinley Republicans, and its acceptance by so many, that *the only way to handle the Trusts is through an amendment to the Constitution of the United States.*

This is remarkable in several things:

(1) IT IS ADMISSION THAT PRIVATE MONOPOLY IN INDUSTRY HAS COME TO STAY, in so far as the individuals are concerned who make this admission. For—

(*a*) It is certain that an amendment such as is asked for would not be granted. And (*b*) if granted it would not result in a restoration of competitive prices, nor in a public regulation of trust prices.

(2) BUT THE MOST REMARKABLE OF ALL IS THE BRAZENNESS OF THE CLAIM THAT AN AMENDMENT IS NEEDED. *FOR IT IS KNOWN TO EVERY INTELLIGENT MAN AND WOMAN—*

(*a*) *THAT THERE ARE DISCRIMINATIONS IN RAILWAY FREIGHT RATES*, and—

(*b*) *THAT THIS ADVANTAGE TENDS TO CENTRALIZE* (MONOPOLIZE) *EACH BUSINESS THAT USES THE TRANSPORTATION LINES*, except those which ship their goods through the post-office—the only avenue having equal rights.

Practically all the national organizations of industry have passed resolutions demanding that Congress restore power to the Inter-State Commerce Commission, and that its power be extended, *in order that freight discriminations* SHALL CEASE, (page 72 of this volume).

In this way the remedy has been pointed out and is known to a great mass of our most active and intelligent business men and farmers. Will they lose sight of this fact? And the further one, that the Democratic party, backed by the People's party and the Silver Republicans, stands pledged to restore equal rights in the transportation lines engaged in inter state commerce?

This is one of the principal remedies whereby the fusion forces are to fight the trusts. *It will remove the principal cause of the monopolies in production and trade* AND THEREBY RESTORE COMPETITIVE PRICES, (pages, 69, 86 and 88 of this volume).

To insure the people's control of their national laws the reform forces are pledged to *the election of United States Senators by the people.* But, greatest of all, and a sure indication of the genuineness of their fight against the monopolists, is THE PLANK FOR THE TRANSFER OF THE VETO POWER FROM THE PRESIDENT TO THE PEOPLE. (Same effect page 89 of this volume).

Mr. Bryan's sincerity and devotion to the People's cause is shown in the pledge that *if elected he will not accept a second term*, BUT WILL TURN AGAINST THE TRUSTS THE WHOLE POWER OF THE PRESIDENT AND HIS APPOINTEES.

The voter who knows the foregoing facts and pledges, and then votes for the party that admits that nothing can be done against the Trusts until a Constitutional Amendment is obtained, is so deeply a partisan that he prefers enslavement to the Brute Trusts to freedom at the hands of the fusion party, a party that quotes Abraham Lincoln and stands on the same platform which he stood on—the Equal Rights of Man.